

**Comprehensive Plan Amendment
and
Project Information for
First Air Field**

MONROE, WASHINGTON

July 27, 2011

16778 146th St. SE. Ste 104
PO Box 515
Monroe, WA 98272

t 360-794-7811
t 206-343-5903
f 360-805-9732

www.h-ai.com

H A R M S E N &



A S S O C I A T E S I N C

ENGINEERING SURVEYING LAND USE PLANNING LANDSCAPE ARCHITECTURE



ANTICIPATE UNDERSTAND GUIDE DELIVER

Gene Brazel
City Administrator
City of Monroe
806 West Main Street
Monroe, WA. 98272

July 27, 2011

RE: First Air Field Comprehensive Plan Amendment

The property owners of the First Air Field and surrounding parcels request that the City of Monroe, the Monroe Planning Commission, and the Monroe City Council amend the City of Monroe Comprehensive Plan designations on their property from their current designation to Limited Open Space Airport (LOSA) and add the definition of LOSA to the land use element of the plan.

The current designations around First Air Field are not supportive of an economically viable airport. The proposed amendment would change the designation of approximately 27 acres to LOSA for a total area designation of 65 acres. This would allow the extension of the runway making for a safer and more desirable landing area and the addition of amenities drawing more people and activities to Monroe. These are all goals and policies in the current Comprehensive Plan that would be fulfilled by approving this amendment.

Within the submitted application we have provided additional information on future phases of the development of First Air Field. While not all of the environmental impacts are known at this time and a non-project amendment does not usually create significant adverse impacts, we wanted to provide a broader overview of what all of the phases of the project will entail.

We look forward to going through not just the currently proposal Comprehensive Plan amendment with the City, but also all of the steps in the development of the airport to achieve economic viability.

Please consider this request and contact me if there are questions or if further information is needed.

Sincerely,


Britt Heath, AICP
Director of Operations, Monroe

CIVIL ENGINEERING / LAND SURVEYING / LANDSCAPE ARCHITECTURE / LAND USE PLANNING

P:\Work\Projects\2011\11-132 CED Real Estate\PL\DOCS\Cover letter.doc

16778 146th St. SE, Ste 104 PO Box 516 Monroe, WA 98272-0516 t (360) 794-7811 f (360) 805-9732 www.h-ai.com

TABLE OF CONTENTS

COMPREHENSIVE PLAN AMENDMENT APPLICATION
APPENDIX I DESCRIPTION OF PROPOSAL
APPENDIX II APPROVAL CRITERIA PARTS A&B
APPENDIX III SEPA CHECKLIST
APPENDIX IV TITLE REPORT AND LEGAL DESCRIPTION
VICINITY / SITE MAPS



CITY OF MONROE

Community Development Department
806 West Main Street
Monroe, WA 98272
Phone: (360) 794-7400
Fax: (360) 794-4007

Citizen-Initiated Comprehensive Plan Amendment Application and Requirements

OFFICE USE ONLY	
Date Received: <u>7/29/2011</u>	Application Number: <u>CPA 2012-01</u>
Received By: <u>Kim Shaw</u>	Complete Application Date: <u>7/29/2011</u>
Fee Paid (date/time): <u>7/29/2011 13:50</u>	Zoning of Site: <u>LOSA</u>
Zoning of Adjacent Property:	(North) <u>SR 15000 / PS</u> (South) <u>county GC</u>
	(East) <u>County GC</u> (West) <u>PS</u>
Comp Plan Designation: <u>LOSA/SC/R2-S</u>	Comp Plan Adjacent Property: (North) <u>R2-S/PS</u>
(South) <u>SR4</u>	(East) <u>SR4</u> (West) <u>P/O</u>

REQUIRED MATERIALS FOR A COMPLETE APPLICATION ARE:

- ☒ 1 Original plus 9 copies of the completed application (Pages 1, 2, & 3)
- ☒ Appendices (See Page 4)
 - ☒ Appendix I – Describe proposal; one (1) original plus 9 copies.
 - ☒ Appendix II – Answer Parts A & B; one (1) original plus 9 copies.
 - ☒ Appendix III – Environmental (SEPA) checklist with supporting reports as required, one (1) original plus 9 copies, if applicable.
 - ☒ Appendix IV – Legal description/proof of ownership. Provide a current title report; one (1) copy dated within 30 days of application, if applicable.
- ☒ 1 copy of Vicinity and Site Plan Maps (*Only required for site specific proposals*)
- ☒ Fees – Refer to the latest fees resolution to determine cost of application.

OFFICE USE ONLY	
Planning Application Fee: \$ <u>25.00</u>	Publication Fee: \$ _____
Fire Plan Check Fee: \$ _____	Mailing Fee: \$ _____
SEPA Fee: \$ _____	Technology Fee: \$ <u>13.25</u>
TOTAL FEES: \$ <u>288.75</u>	

Citizen Initiated - Comprehensive Plan Amendment Application

Type of Application (Check all that apply.)

- ☐ Change of goals, policies & implementation measures
- ☐ Change to future land use map
- ☐ Change of Urban Growth Boundary (in conjunction with request to Snohomish County).
- ☐ Change to an element of the Comprehensive Plan (*Transportation, Parks, Land Use, etc.*)
- ☐ Technical Corrections (*Terminology, References, etc.*)

1. Application Information

A. Name of Applicant: **CE3 Services, LLC – Dan Reina**_____

Signature: Daniel M Reina_____

Home Address: _____

City and Zip Code: _____

Email address: dan@i90prestonpartners.com_____ Phone: **206-947-2298**_____

Mailing Address (if different): **1429 Ave D #327**_____

City and Zip Code: **Snohomish, WA. 98290**_____

B. Name of Owner(If different): **Darryl Habich**_____

Signature: Darryl Habich_____

Home Address, City and Zip Code: _____

_____(Phone #)_____

Mailing Address (if different): **13702 and 13801 179th**_____

City and Zip Code: **Monroe, WA 98272**_____

NOTE: A PROPERTY OWNER is any person, corporation or financial institution that has ownership of all, a portion of, or percentage of, a property shown on the title certificate for said property. If additional property ownership is involved, attach additional names, addresses and signatures to this page.

Citizen Initiated - Comprehensive Plan Amendment Application

2. Location of Property (If applicable)

A. Section 35 Township 28 Range 6

3. Legal Description(s) - Property Information (If applicable)

A. Tax Account Number(s):

Legal descriptions are with the title reports later in this submittal package _____

Doug Harris #28063500100500

Daryl Habic #28063500101200, 28063500104300 and 28063500100800

City of Monroe 28063500201800, 28063500100400, and 28063500201600

County of Snohomish #28063500100300

B. Size of entire site (acres/square feet): **26.54 acres to be redesignated to LOSA** _____

C. Comprehensive Plan Designation: **The areas covered by the proposal are currently designated Parks/Open Space, R2-5, Special Regional Use, and Service Commercial and would be redesignated to Limited Open Space Airport (LOSA).** _____

D. Current Use of Property: **The areas currently designated Parks/Open Space and Special Regional Use are vacant land, the R2-5 areas are single family homes, and the Service Commercial is for a dental office. The existing Limited Open Space Airport (LOSA) is the First Air Field** _____

E. Describe physical characteristics: **The properties lie between Hwy 2 and 179th Ave surrounding the First Air Field airport. The land is flat and there are critical areas to the north and west. The Evergreen Fair Grounds, Equestrian Facility, and a mini track are high intensity uses in the immediate vicinity of the airport.** _____

F. Sensitive Areas (wetlands, steep slopes, etc.): **There are several known streams and associated wetlands adjacent to and within the western parcels to be redesignated. These are identified on the map NE-1 of the Comprehensive Plan and will be accurately delineated and evaluated in future phases of the project.** _____

APPENDIX I

Description of Proposal

First Air Field Comprehensive Plan Amendment

The current proposal is for a Comprehensive Plan Amendment to change the designation and map for the areas around First Air Field and the addition of Limited Open Space Airport to the Land Use Element Description Portion of the Comprehensive Plan. The areas covered by the proposal are currently designated Parks/Open Space, R2-5, Special Regional Use, and Service Commercial and would be redesignated to Limited Open Space Airport (LOSA). The total new area of LOSA would be approximately 65 acres. The LOSA is referenced in the comprehensive plan but there is not currently a description of it as there is with the other land use designations.

The proposed changes and project phases are intended to create an economically viable airport enterprise, as currently required in the Comprehensive Plan, which will also be an asset to the community.

The future phases implemented over five years are not part of the current proposal but are presented here for general information and to create a better understanding of the reason behind the current request.

Phase-1 June 2011-July 2012: Project Design, Master Planning, Comprehensive Plan Change & Rezone, and Zoning Code Amendments

- Zoning code amendment to address the uses that are proposed but not foreseen nor covered in current code and a concurrent rezone to match the updated comprehensive plan designations.
- A boundary line adjustment between the City of Monroe and the owners of the existing LOSA property north of Cripple Creek and open space property to the west. This is to accommodate the extension of the runway and keep reciprocal critical areas under the ownership of the City of Monroe.

Phase-2 July 2012-July 2013: Permitting and Construction of Runway Expansion, Restaurant/Bar, Flight Instruction School & Nascar Buildings

- Upgrade the runway through the extension and widening to a finished length of 3,100 feet. This is to provide a margin of safety that is greater than the minimum length currently provided. This will include filling a portion of the wetland to the west. The intent is to prepare a mitigation plan that will leave the surrounding areas with an improved functioning system.
- Adding a Restaurant/Bar, Flight Instruction School & Nascar Buildings within the airport property/zoning. The Nascar building is in response to a request by Nascar to provide a building for a Nascar Museum and offices/meetings rooms. They also asked for a building they called a Paddock, where race teams bring their Nascar cars into a change out an engine, or other repairs, while the public can watch from a second floor mezzanine.

- Development and expansion of the existing airport complex to provide a Full Service “Fixed Base Operations” (FBO) Airport Facility, including the necessary Accessory and Complimentary Uses. Existing onsite structures will be either removed or expanded, with several new buildings to be added to accommodate the necessary Accessory Uses to the existing Airport Complex.

Phase-3 July 2013-July 2015: Permitting and Construction of Executive Hangars, and “Man-Cave” Buildings

- Application for the permitting of Executive Hangars, and “Man-Cave” Buildings. A man cave is typically a specially equipped commercial garage or storage condominium. It's about having a space just for you to work on your hobbies, hang out with friends, and not having to be confined to your home garage. It is expected that some Nascar drivers would be also be tenants in these individual units giving them a place to work on/store their cars and accessories, and to have a lounge in the upstairs to watch Nascar, sports, etc

Phase-4 July 2015-July 2016: Permitting and Construction of Additional Hangars, and “Man-Cave” Buildings

- Application for the permitting of additional Executive Hangars, and “Man-Cave” Buildings

APPENDIX II

Approval Criteria Parts A&B

Part A

1. Reference the elements of the Comprehensive Plan that is proposed for this amendment and explain how this amendment is consistent with the overall goals and intent of the Comprehensive Plan

The portions of the comprehensive plan that this amendment effects is the Land Use element and the designation of parcels around First Air Field on the Comprehensive Plan Map.

Under the Land Use definitions of each designation there is not a descriptor of Limited Open Space Airport (LOSA). This seems to have been left out in previous plan reviews. There are several portions of the comprehensive plan that support the expansion and economic vitality of the airport, including Policy, LU-10.7 that states the City shall support activities that make First Air Field an economically viable airport.

Additional sections, goals, and policies supporting the proposed redesignation, added language and proposed future expansion project are as follows:

Land Use Element

First Air Field

Future Vision and Issues

First Air Field remains a vital part of the Monroe transportation system and continues to provide economic benefits to the community, directly and indirectly, by providing aviation facilities and services for visitors and residents alike. The facilities at First Air Field could be improved and expanded to include a two-story 8,000 square foot flight school facility with living quarters, an aviation supplies and accessories store, open air hangers for large planes, a key card fueling facility, and an additional shop building along the south side of the runway, and possibly a restaurant with an associated temporary lodging facility in the form of a bed and breakfast. Because First Air Field is a privately owned facility, these improvements would be at the expense of the airport owner.

The majority of this portion of the comprehensive plans Future Vision will be fulfilled by the proposed project. Specifically the expansion proposal includes a two-story flight school facility with living quarters, an aviation supplies and accessories store, additional open air hangers for large planes, a key card fueling facility, and an additional shop building and new hangers along the south side of the runway, a restaurant and future lodging facility.

Commercial Development

Goal

LUG-8 - Provide for increased commercial development in the Monroe area that will enhance the character of major traffic corridors...,

The design of the airport expansion enhances the character of 179th by orienting the restaurant and other shop buildings towards the street and installation of sidewalk, landscaping, and roadway improvements. Also the airport itself is the only air traffic corridor in Monroe; the design is to increase its character.

Policies

LUP-8.1 - Encourage new commercial development to be located near major traffic corridors that provide adequate traffic flow capacities, parking areas and easy pedestrian access among shops and buildings.

The change in land use designation will make it possible to add new buildings and commercial uses to an underutilized property that has good access to Hwy 2, plenty of onsite parking, and pedestrian connection to the Evergreen State fair grounds, Nascar track, mini track, equestrian facility, and a Park& Ride.

Goal

LUP-9 - Encourage commercial development designs that allow economically feasible development while at the same time providing attractive focal points in the community.

The comprehensive plan change will make it possible to create an economically feasible airport that will be an active and vibrant facility complimenting the other regional activities, such as the fair grounds.

Policies

LUP-9.2 - Require all commercial developments to be carefully located and designed to minimize the adverse impacts of traffic volumes, noise, stormwater runoff, drainage patterns and other related problems on surrounding land uses.

This redesignation would locate new commercial uses on an underutilized commercial site in close proximity to other like regional uses and major highways.

Goal

LU-10 – Protect First Air Field, a public-use general aviation airport, from nearby incompatible uses and developments to sustain its long-term viability.

Policies

LU –10.1 – Recognize First Air Field as an essential public facility and a significant economic resource.

The redesignation of the property around First Air Field will help make the airport an economically viable resource.

LU-10.8 – Support activities that make First Air Field an economically viable airport.

The amendment will support activities that make First Air Field an economically viable airport by defining LOSA and providing more area for such activities.

LU-10.9 – Encourage economic development opportunities and infrastructure investment that support First Air Field.

The amendment will result in project and businesses that support the airport and the economic development of the City as a whole.

Industrial Development

Goal

LUG-11 - Promote industrial growth, which will provide a healthy employment base for local citizens, complement existing industrial uses and provide for projected needs.

The amendment that will support the expansion of First Air Field should compliment existing and allowed industrial uses in the near by industrial park. Possibly providing the opportunity for symbiotic businesses between the two areas.

Policies

LUP-11.1 - Provide opportunities for various types and intensities of industrial development to locate in areas of the City that are suitable for such development, based on characteristics such as existing land use, natural features, transportation and utility services and associated environmental impacts.

The amendment, which supports the expansion of First Air Field, should provide demand for more varied industrial uses in the existing and under utilized industrial park.

ECONOMIC DEVELOPMENT

Profile of Planning Area

As part of the Puget Sound Economic Region, Monroe will be impacted over the next 20 years by several important factors:

- *Monroe has unique resources: location astride two major thoroughfares, the railroad, the airport, and city ownership of approximately 65 acres in the North Kelsey Sub-Area. These resources can be put to work together to create a dynamic and healthy environment for economic growth.*

This comprehensive plan amendment will help the airport become a dynamic facility supporting additional opportunities for economic growth of the city.

Part A

2. Propose amendment language

The proposed amendment language is the addition of a definition for Limited Open Space Airport, one of the comprehensive plan map designations, to the list of designation definition under Goal LUG1.

Development of Goals and Policies

Land Use

Goals

LUG1 - To pursue well managed, orderly expansion of the City and actively influence the character of the City by managing land use change and by developing City regulations, facilities and services in a manner that directs and controls land use patterns and intensities.

Policies

LUP-1.1 - Future land use designations, illustrated on the Comprehensive Plan Land Use Map and/or adopted in this plan, shall establish the future distribution, extent, and location of generalized land uses within the Urban Growth Area (UGA). The designations are defined as follows;

There are 15 definitions under LUP1.1 and we propose adding #16 *Limited Open Space Airport*. This designation shall provide for airport and other uses that support making First Air Field an economically viable airport.

3. Provide an explanation of why the amendment is being proposed

The proposed amendment to the land use definitions is to make that section of the comprehensive plan consistent with the map and other sections that refer to the airport and its land use designation.

The proposed amendment to the map designation is needed to specifically increase the area designated LOSA for an extension of the runway and secondarily to provide additional area for related or support uses that will help to make the airport economically viable.

The current length of the runway, while meeting minimum FAA requirements, is not seen by pilots as a "safe" or desirable place to land. They choose other airports for their activities above Monroe, taking their money and activities elsewhere. The extension of the runway, in addition to widening it, will create a factor of safety making the airport a more desirable place for pilots, their clients, and guests to land. Once they are at the airport additional on site services will make the experience of flying into First Air Field a fulfilling adventure. This will not only help to make First Air Field an economically viable enterprise, as the Comprehensive Plan requires, but it will also bring needed tourist, businesses, events, and activities to Monroe that will support existing business and increase tax revenues.

Part A

4. Provide description and/or map of the property affected by the proposal

The current proposal is for a Comprehensive Plan Amendment to change the designation and map for the areas around First Air Field and the addition of Limited Open Space Airport to the Land Use Element Description Portion of the Comprehensive Plan. The areas covered by the proposal are currently designated Parks/Open Space, R2-5, Special Regional Use, and Service Commercial and would be redesignated to Limited Open Space Airport (LOSA). The total new area of LOSA would be approximately 65 acres.

A portion of the Comprehensive Plan map showing the areas to be redesignated and surrounding properties is submitted with this application.

5. Accurately identify any significant impacts this amendment will have on the public health, safety, or welfare.

The comprehensive plan amendment itself will not create significant impacts to public health, safety, or welfare.

The resulting development will have impacts such as increased traffic, noise, air emissions, wetland fill and changes in stormwater movement. The exact impacts and appropriate mitigation measures will not be known until the impacts are evaluated together and in depth as part of the development process.

A more in-depth look at potential impacts is represented in the non-project action portion of the SEPA checklist submitted with this proposal.

6. Explain how this amendment is in compliance with the Growth Management Act (GMA) and other State and Federal laws

A requirement of the GMA is for City plans to be internally consistent. This applies to both the language and map amendment; increasing the area of LOSA so that the goals and policies of a viable airport can be attained and adding the LOSA designation to the Land Use text.

Consideration of the economic impacts to the airport are supported by the State Legislature, who in 2002, added a mandatory requirement for an economic development element being added to the required GMA comprehensive plan elements. The requirement may be found at RCW 36.70A.070(7) and (9).

There are no known conflicts with any portions of the GMA or other State and Federal laws.

Part B

1. Address the needs or changing circumstances of the City as a whole or resolve inconsistencies between the Monroe Comprehensive Plan and other city plans or ordinances.

The City of Monroe has a local airport that has not been a major feature of the City. Throughout the Comprehensive Plan the City has recognizes the positive impact a thriving airport could have on the City, but there has been no systematic proposal to elevate the standard of the airport until now. The proposed Comprehensive Plan amendment addresses a multi stage plan to increase the economic viability of the airport and make it the amenity that the City desires. As the City grows, hosting larger events like NASCAR races, triathlons and wave boarding, the ability for the airport to have a positive impact also grows.

The portion of the proposed amendment to add the Limited Open Space Airport (LOSA) to the Comprehensive Plan Land Use Element Description is to resolve an inconsistency of the Code.

2. Environmental impacts have been disclosed and/or measures have been included that reduce possible adverse impacts.

At this time, specific environmental impacts and mitigations can only be estimated as this Comprehensive Plan Amendment precedes the actual site planning and design of the future project. Where potential impacts are anticipated, they have been addressed in the SEPA submitted with this proposal.

3. Consistency with the land uses and growth projections that were the basis of the comprehensive plan and/or subsequent updates to growth allocations.

The Comprehensive Plan clearly recognizes the airport. Its location, its surrounding land uses and positive contribution to the City are discussed. The growth and economic viability of the airport is part of the Comprehensive Plan and, therefore, this proposal to provide for a long range plan for the growth and economic viability of the airport is consistent with the Plan.

Part B

4. Consistency with neighboring land uses and surrounding neighborhoods, if applicable.

Several sections of the Comprehensive Plan, discussed earlier in this document, indicate the need and desire to protect the airport from incompatible land uses. The proposal for hangers, buildings for instruction and the restaurant are all compatible with the airport and are intended to directly support the airport. These occur in close proximity to the State Fair Grounds, the Fryelands Industrial Area and SR 2 and 522, both major state highways. Other facilities like the NASCAR paddocks are supportive of nearby uses such as the race track at the Fair Grounds.

5. Consistency with other plan elements and the over all intent if the Comprehensive Plan.

The growth of the airport is consistent with the Comprehensive Plan where such growth does not prove to have significant impact to other elements of the Plan such as environment, public services, and transportation. This proposed amendment is the first step in determining those impacts. It is also the first step to meeting the Comprehensive Plan goals of an economically viable airport.

APPENDIX III

State Environmental Policy Act (SEPA) Checklist

A. BACKGROUND

1. Name of proposed project:

First Air Field Comprehensive Plan Amendment

2. Name of applicant: CE3 Services, LLC

3. Address and phone number of applicant and contact person:

Applicant: CE3 Services, LLC-Daniel Reina
1429 Avenue D #327 Snohomish, Washington 98290
206-947-2298, email dan@i-90prestonpartners.com

Contact: Harmsen & Associates Inc, Britt Heath,
P.O. Box 516 Monroe, WA. 98272
360-794-7811, email britt@h-ai.com

4. Date checklist prepared: July 14, 2011

5. Agency requesting checklist: City of Monroe

6. Proposed timing or schedule (including phasing, if applicable):

The current proposal request for the Comprehensive Plan Amendment will take place in the next 12 months. The project would be implemented in phases generally laid out as follows

Phase-1 June 2011-July 2012: Project Design, Master Planning, Rezone, and Zoning Code Amendments

Phase-2 July 2012-July 2013: Permitting and Construction of Runway Expansion, Restaurant/Bar, Flight Instruction School & Nascar Buildings

Phase-3 July 2013-July 2015: Permitting and Construction of Executive Hangars, and "Man-Cave" Buildings

Phase-4 July 2015-July 2016: Permitting and Construction of Additional Hangars, and "Man-Cave" Buildings

7. Do you have any plans for future additions, expansion, or further activity related to or connected with this proposal? If yes, explain.

The future phases are listed above and will under go environmental review during the future project submittal.

8. List any environmental information you know about that has been prepared, or will be prepared, directly related to this proposal.

The City of Monroe has several maps within their comprehensive plan and zoning code that identify areas around the existing airport and runways as being wetlands and having streams. In 2005 the City of Monroe had a Final Supplemental Environmental Impact Statement prepared with regard to Urban Growth Areas. This included evaluating growth impacts to the environment in the

area. For the future phases of this project several environmental documents will be prepared: project SEPA, drainage reports, critical areas reports, and traffic reports.

9. Do you know whether applications are pending for governmental approvals of other proposals directly affecting the property covered by your proposal? If yes, explain.

There are no known pending applications directly affecting this proposal.

10. List any government approvals or permits that will be needed for your proposal, if known.

This non-project action will require approval of the proposed comprehensive plan amendment.

Future phases of the development will need approvals that include but may not be limited to:

- Project SEPA evaluation
- site plan approval
- rezone, and zoning code amendment approval
- Clearing, Grading, Utility extension, and Building Permits
- Department of Ecology
- Fish and Wildlife
- JARPA
- Corps of Engineers
- Snohomish County, FAA, the Tribes, and WSDOT will review the project
-

11. Give brief, complete description of your proposal, including the proposed uses and the size of the project and site. There are several questions later in this checklist that ask you to describe certain aspects of your proposal. You do not need to repeat those answers on this page. (Lead agencies may modify this form to include additional specific information on project description.)

The current proposal is for a Comprehensive Plan Amendment to add Limited Open Space Airport to the Land Use Element Description Portion of the Comprehensive Plan and to change the designation and map for the areas around First Air Field. The LOSA is referenced in the comprehensive plan but there is not currently a description of it as there is with the other land use designations. The areas covered by the proposal are currently designated Parks/Open Space, R2-5, Special Regional Use, and Service Commercial and would be redesignated to Limited Open Space Airport (LOSA). The total new area of LOSA would be approximately 65 acres.

The above proposed changes and subsequent phases are intended to create an economically viable airport enterprise that will also be an asset to the community as currently required in the Comprehensive Plan.

The future phases implemented over five years are not part of the current proposal but are presented here for general information and to create a better understanding of the reason behind the current request.

- Zoning code amendment to address the uses that are proposed but not foreseen nor covered in current code and a concurrent rezone to match the updated comprehensive plan designations.
- A boundary line adjustment between the City of Monroe's open space property to the

west and the owners of the existing LOSA property north of Cripple Creek. This is to accommodate the extension of the runway and keeping reciprocal critical areas under the ownership of the City of Monroe.

- Development and expansion of the existing airport complex to provide a Full Service “Fixed Base Operator” (FBO) Airport Facility, including the necessary Accessory and Complimentary Uses, for the existing First Air Field. Existing onsite structures will be either removed or expanded, with several new buildings added to accommodate the necessary Accessory Uses to the existing Airport Complex.
- Upgrade the runway through the extension and widening to a finished length of 3,100 feet. This will include filling a portion of the wetland to the west and mitigate the impact by reestablishing a ditched stream
- Adding a Restaurant/Bar, Flight Instruction School & Nascar Buildings with in the airport property/zoning
- Application for the permitting of Executive Hangars, and “Man-Cave” Buildings

12. Location of the proposal. Give sufficient information for a person to understand the precise location of your proposed project, including a street address, if any, and section, township, and range, if known. If a proposal would occur over a range of area, provide the range or boundaries of the site(s). Provide a legal description, site plan, vicinity map, and topographic map, if reasonably available. While you should submit any plans required by the agency, you are not required to duplicate maps or detailed plans submitted with any permit applications related to this checklist.

The area of the proposal is First Air Field at 13812 179th Ave SE and several adjacent parcels: tax account #28063500100500, 28063500101200, 28063500104300, 28063500100800, 28063500201800, 28063500100400, 28063500201600, and 28063500100300. In Section 35, Township 28, and Range 6. The project also fronts on a small portion of Hwy 2. Please see the map submitted with this proposal.

B. ENVIRONMENTAL ELEMENTS

1. Earth

*a. General description of the site (circle one): **Flat**, rolling, hilly, steep slopes, mountainous, other*

b. What is the steepest slope on the site (approximate percent slope)?

Based on Snohomish County aerial mapping, it appears that there is less than a 20' change in topographic relief across the 60 acre, yielding an average slope of less than 1%. Local slopes may exceed 1%, especially man-made slopes. No slopes in the project area would be considered critical slopes.

c. What general types of soils are found on the site (for example, clay, sand, gravel, peat, muck)? If you know the classification of agricultural soils, specify them and note any prime farmland.

As identified by National Resource Conversation Service maps for Snohomish County; the airport area lies on two primary soil types: Terric Medisaprists, nearly level, is found in the west and north west; Everett gravelly sandy loam 0-8% slopes, is found in the eastern and north -loam.

None of the area is designated as prime farmland.

d. Are there surface indications or history of unstable soils in the immediate vicinity? If so, describe.

None are known.

e. Describe the purpose, type, and approximate quantities of any filling or grading proposed. Indicate source of fill.

Not applicable, this is a non-project proposal.

For information purposes: Future phases will include fill needed for the extension of the runway to the west. There will be grading for the proposed access, parking areas, utility placement, and construction of the storm water detention system. Excess soil will be evenly spread on site or exported to an approved location. Imported materials will be from commercial sources. However if possible it is the intention to achieve a balanced cut and fill for the entire site

f. Could erosion occur as a result of clearing, construction, or use? If so, generally describe.

Not applicable, this is a non-project proposal.

For information purposes: Clearing and grading expose bare soil material to precipitation and upstream runoff, increasing the potential for erosion. With proper application of erosion control measures, erosion is not expected to occur as a result of the clearing and grading.

g. About what percent of the site will be covered with impervious surfaces after project construction (for example, asphalt or buildings)?

Not applicable, this is a non-project proposal.

For information purposes: The full build out would result in approximately 252,202 square feet of "surface" It is the intent to use pervious pavement and possibly green roofs as mitigation measure to reduce the impervious surface of the built out project.

h. Proposed measures to reduce or control erosion, or other impacts to the earth, if any:

Not applicable, this is a non-project proposal.

For information purposes: Erosion will be controlled by best management practices to include managed clearing limits, installation of silt fence, stabilized construction entrance, sedimentation ponds, soil stabilization BMP's.

2. Air

a. What types of emissions to the air would result from the proposal (i.e., dust, automobile, odors, industrial wood smoke) during construction and when the project is completed? If any, generally describe and give approximate quantities if known.

Not applicable, this is a non-project proposal.

For information purposes: During future construction phases, there will be dust and emissions from equipment. After construction, there will be vehicle emissions from commercial and air traffic, emissions from building heating, and from the restaurant.

b. Are there any off-site sources of emissions or odor that may affect your proposal? If so, generally describe.

No off-site sources of emissions or odors that would have adverse affects on the proposal exist.

c. Proposed measures to reduce or control emissions or other impacts to air, if any:

Not applicable, this is a non-project proposal.

For information purposes: Construction dust will be controlled with watering. After construction, building heating and exhaust systems will need to meet existing pollution controls. Vehicles are also subject to inspections for emissions control.

3. Water

a. Surface:

1) Is there any surface water body on or in the immediate vicinity of the site (including year-round and seasonal streams, saltwater, lakes, ponds, wetlands)? If yes, describe type and provide names. If appropriate, state what stream or river it flows into.

There are several streams in the western portion of the area under consideration. The City of Monroe identifies them on the NE1 map of the Comprehensive Plan as Cripple Creek, Channel Creek and Homestead Creek, all Type 3 streams. These streams all flow through a Category 2 wetland that is north and west of the existing runway.

2) Will the project require any work over, in, or adjacent to (within 200 feet) the described waters? If yes, please describe and attach available plans.

Not applicable, this is a non-project proposal.

For information purposes: There will be filling of wetlands, redirection of streams, and additional work within 200 feet of the wetlands and streams. Detailed plans and mitigation proposals will be provided in future phases.

3) Estimate the amount of fill and dredge material that would be placed in or removed from surface water or wetlands and indicate the area of the site that would be affected. Indicate the source of fill material.

Not applicable, this is a non-project proposal.

4) Will the proposal require surface water withdrawals or diversions? Give general description, purpose, and approximate quantities if known.

Not applicable, this is a non-project proposal.

For information purposes: Part of the future mitigation proposal will include the relocation of the portion of the creek that has been ditched to flow along the edge of Hwy 2. This creek section would be reconnected with the more natural water course to the west, Creatom Creek.

5) *Does the proposal lie within a 100-year floodplain? If so, note location on the site plan.*

None of the area is within a 100-year floodplain.

6) *Does the proposal involve any discharges of waste materials to surface waters? If so, describe the type of waste and anticipated volume of discharge.*

Not applicable, this is a non-project proposal.

For information purposes: In future phases the site will discharge waste to the city sanitary sewer system.

b. Ground:

1) *Will ground water be withdrawn, or will water be discharged to ground water? Give general description, purpose, and approximate quantities if known.*

Not applicable, this is a non-project proposal.

For information purposes: In future phases storm water runoff will be collected, treated, and detained prior to being discharged to the downstream system. A Targeted Drainage Report will include additional information including quantities. Aircraft and vehicle maintenance will follow specific guidelines for the control of pollutants.

2) *Describe waste material that will be discharged into the ground from septic tanks or other sources, if any (for example: Domestic sewage; industrial, containing the following chemicals... ; agricultural; etc.). Describe the general size of the system, the number of such systems, the number of houses to be served (if applicable), or the number of animals or humans the system(s) are expected to serve.*

Not applicable, this is a non-project proposal.

For information purposes: Domestic sewage will be conveyed from the site by an extension or connection to the city's sewer system.

c. Water runoff (including stormwater):

1) *Describe the source of runoff (including storm water) and method of collection and disposal, if any (include quantities, if known). Where will this water flow? Will this water flow into other waters? If so, describe.*

Not applicable, this is a non-project proposal.

For information purposes: The source of runoff is direct precipitation and upstream flow. In general, the access, buildings, and driveways of future phases will be collected by catch basins and roof drain stubs. The catch basins and pipes will convey runoff to a treatment system. During

the construction phase of the project a Targeted Drainage Plan will be prepared. The flow will then go into local ground water and streams leading to French Creek.

2) Could waste materials enter ground or surface waters? If so, generally describe.

Not applicable, this is a non-project proposal.

For information purposes: During future phases, waste materials could enter the storm water. Runoff will be conveyed to treatment facilities prior to discharge into the ground. These systems will be designed to meet the City of Monroe standards.

d. Proposed measures to reduce or control surface, ground, and runoff water impacts, if any:

Not applicable, this is a non-project proposal.

For information purposes: The future drainage system will be designed in accordance with the City of Monroe and Department of Ecology standards including treatment and infiltration. The existing septic tanks will be removed and the drainfields abandoned. Currently there are three septic systems with in the property: Habich Residential/Business property, Habich Residential Rental Property, and the Harris residential Rental Property. All of these structures will be demolished and septic tanks removed per Health Department specifications and regulations.

4. Plants

a. Check or circle types of vegetation found on the site:

- ☒ deciduous tree: alder, maple, aspen, other
- ☒ evergreen tree: fir, cedar, pine, other
- ☒ Shrubs: Wide variety
- ☒ grass
- ☐ pasture
- ☐ crop or grain
- ☒ wet soil plants: cattail, buttercup, bullrush, skunk cabbage, other:
- ☒ water plants: water lily, eelgrass, milfoil, other: .
- ☒ other types of vegetation:

b. What kind and amount of vegetation will be removed or altered?

Not applicable, this is a non-project proposal.

For information purposes: During future phases there will be vegetation removed for the expansion of the runway and for future hangers and other buildings on both sides of the runway. It is expected that shrubs and grasses, including wetland plants will be removed from the site.

c. List threatened or endangered species known to be on or near the site.

There are no known endangered or threatened plant species on site.

d. Proposed landscaping, use of native plants, or other measures to preserve or enhance vegetation on the site, if any:

Not applicable, this is a non-project proposal.

For information purposes: During future phases there will be a Type I landscape buffer around the perimeter of the airport site as well as enhanced wetland and buffer plantings in conjunction with the runway extension. The existing wetlands and buffers have been mowed and degraded in the past, prior to regulation. The mitigation effort that will be part of this plan will increase the function of the vegetation and wetlands for the whole area. There will also be planter islands throughout the project, specifically related to parking and other ground cover throughout the site.

5. Animals

a. Circle any birds and animals which have been observed on or near the site or are known to be on or near the site:

birds: hawk, heron, eagle, songbirds, other: bald eagles, blue heron, hawks,
mammals: deer, bear, elk, beaver, other: deer, coyote, rabbit
fish: bass, salmon, trout, herring, shellfish, other:

b. List any threatened or endangered species known to be on or near the site.

Heron and eagles are known to be in the area of the airport, but they are not known to be nesting or perching in the immediate vicinity of the airport.

c. Is the site part of a migration route? If so, explain.

The area is not known to be a migration route. Further down stream of the airport, fish are found in French Creek and the Puget Sound area is part of a migration route for various birds.

d. Proposed measures to preserve or enhance wildlife, if any:

The enhancement of the wetlands and buffers adjacent to the airport will provide better habitat for mammals. They will also be designed in such a way as to not attract larger birds, this is for their protection as well as the people and planes coming into the airport. This effort should make it safer than it is now. Wetland banking will provide a way to retain the habitat in the same watershed.

6. Energy and natural resources

a. What kinds of energy (electric, natural gas, oil, wood stove, solar) will be used to meet the completed project's energy needs? Describe whether it will be used for heating, manufacturing, etc.

Not applicable, this is a non-project proposal.

For information purposes: During future phases mainly electric power will be used for energy and heating. Natural gas may also be used in the project.

b. Would your project affect the potential use of solar energy by adjacent properties? If so, generally describe.

Not applicable, this is a non-project proposal.

For information purposes: There is nothing in the proposed project that would affect an adjacent parcels use of solar energy.

c. What kinds of energy conservation features are included in the plans of this proposal? List other proposed measures to reduce or control energy impacts, if any:

Not applicable, this is a non-project proposal.

For information purposes: During future phases some of the buildings are intended to be built following LEED standards including recycled materials, sustainably harvested or sources materials, vegetated roofs, and pervious surfaces.

7. Environmental health

a. Are there any environmental health hazards, including exposure to toxic chemicals, risk of fire and explosion, spill, or hazardous waste, that could occur as a result of this proposal? If so, describe.

Not applicable, this is a non-project proposal.

For information purposes: During future phases there would be an increased risk of spill or explosion from that of the existing airport because of an increase in the amount of vehicle maintenance. Storage of such materials by individuals will be limited and enforced through site leases.

1) Describe special emergency services that might be required.

Not applicable, this is a non-project proposal.

For information purposes: For the future phases there are no know special emergency services that would be needed as part of the project..

2) Proposed measures to reduce or control environmental health hazards, if any:

Not applicable, this is a non-project proposal.

For information purposes: For the future phases it is expected that by following federal aviation and City codes there should be a reduction in potential hazards.

b. Noise

1) What types of noise exist in the area which may affect your project (for example: traffic, equipment, operation, other)?

In the immediate vicinity there is a race track, fairgrounds, and highway noise that is present, but the noise generated from these things will not affect the airport functions.

2) What types and levels of noise would be created by or associated with the project on a short-term or a long-term basis (for example: traffic, construction, operation, other)? Indicate what hours noise would come from the site.

Not applicable, this is a non-project proposal.

For information purposes: During future phases, there will be a short term increase in noise from the construction of the project (runway, buildings, etc). But there will also be a permanent increase in noise levels due to the increase in flight traffic and people coming and going from the airport in vehicles.

3) Proposed measures to reduce or control noise impacts, if any:

Not applicable, this is a non-project proposal.

8. Land and shoreline use

a. What is the current use of the site and adjacent properties?

The areas to be changed to LOSA are currently being used as open space to the west and south of the airport. Those areas to the north and east contain three single family homes. Adjacent uses include open space, single family homes (very low density), the Evergreen Fair Grounds and parking lot, a race track for “mini’s”, and a Park & Ride lot. The future Hwy 2 bypass is also to the north and east of the proposed areas to be designated LOSA.

b. Has the site been used for agriculture? If so, describe.

The site has not been used for agriculture at least since 1967 when the airport was built.

c. Describe any structures on the site.

Airport hangers and accessory buildings, the Habich Residential/Business property, the Habich Residential Rental Property, and the Harris residential Rental Property, plus their associated accessory/out buildings

d. Will any structures be demolished? If so, what?

Not applicable, this is a non-project proposal.

For information purposes: During future phases the houses and the commercial building will be removed. Possibly some of the existing hangers will be renovated.

e. What is the current zoning classification of the site?

The areas covered by the comprehensive plan proposal are currently zoned Public Open Space, Suburban residential, and Service Commercial

f. What is the current comprehensive plan designation of the site?

The areas covered by the comprehensive plan proposal are currently designated Parks/Open Space, R2-5, Special Regional Use, and Service Commercial

g. If applicable, what is the current shoreline master program designation of the site?

The area is not within a shoreline designation.

h. Has any part of the site been classified as an "environmentally sensitive" area? If so, specify.

The City of Monroe has identified wetlands and streams in the area on their "official" maps; however no specific delineations or actual site analysis is known at this time.

i. Approximately how many people would reside or work in the completed project?

Not applicable, this is a non-project proposal.

For information purposes: During future phases, in addition to temporary construction jobs, it is anticipated that the complete site proposal could eventually employ up to 60 people.

j. Approximately how many people would the completed project displace?

Not applicable, this is a non-project proposal.

For information purposes: During future phases, the three homes will be removed. Approximately 8 people live or work in those homes now.

k. Proposed measures to avoid or reduce displacement impacts, if any:

Not applicable, this is a non-project proposal.

For information purposes: For the future phases, the home owners are knowingly selling their property for development and will make their own accommodation for their relocation.

l. Proposed measures to ensure the proposal is compatible with existing and projected land uses and plans, if any:

Several sections of the current comprehensive plan and the zoning code relate to protecting the viability of the existing airport and requirements for development to be designed in order to be more compatible with the surrounding neighborhoods. By following the existing goals, policies and codes the proposed redesignation and development will be compatible with existing and projected land uses. Please refer to APPENDIX II for specific comprehensive plan references.

9. Housing

a. Approximately how many units would be provided, if any? Indicate whether high, middle, or low-income housing.

Not applicable, this is a non-project proposal.

For information purposes: Future phases will not be providing permanent housing. The flight schools will include some temporary housing units and a potential hotel will also provide temporary housing. The airport compatibility section of the City of Monroe Code limits the number of temporary dwelling units to 100 per acre.

b. Approximately how many units, if any, would be eliminated? Indicate whether high, middle, or low-income housing.

Not applicable, this is a non-project proposal.

For information purposes: During future phases, three middle/high income housing units would be eliminated

c. Proposed measures to reduce or control housing impacts, if any:

Not applicable, this is a non-project proposal.

For information purposes: For future phases, the home owners of the areas to be redeveloped already know of the plans and have several years of advance warning to make accommodations for themselves to move.

10. Aesthetics

a. What is the tallest height of any proposed structure(s), not including antennas; what is the principal exterior building material(s) proposed?

Not applicable, this is a non-project proposal.

For information purposes: During future phases the buildings will be limited to 35' per the City of Monroe code.

b. What views in the immediate vicinity would be altered or obstructed?

Not applicable, this is a non-project proposal.

For information purposes: During future phases, the extension of the runway and additional buildings will alter views as a result of the project.

c. Proposed measures to reduce or control aesthetic impacts, if any:

Not applicable, this is a non-project proposal.

For information purposes: During future phases, perimeter and parking area landscaping will increase the formal vegetation on site and provide buffering from the street and houses to the north. The site is flat and located in a low area of the City which lessens its impact on surrounding views.

11. Light and glare

a. What type of light or glare will the proposal produce? What time of day would it mainly occur?

Not applicable, this is a non-project proposal.

For information purposes: Future phases will include additional lighting in the parking areas and on new buildings. Also, planes lighted at night as they are now will be present. The runway may have an automated lighting system with low level lights on the ground.

b. Could light or glare from the finished project be a safety hazard or interfere with views?

Not applicable, this is a non-project proposal.

For information purposes: There would be occasional planes landing at night that would have lights crossing the sky.

c. What existing off-site sources of light or glare may affect your proposal?

Not applicable, this is a non-project proposal.

For information purposes: The fire works display at the Fair Grounds could potentially affect the landing of planes in the evening and at night.

d. Proposed measures to reduce or control light and glare impacts, if any:

Not applicable, this is a non-project proposal.

For information purposes: During future phases landscaping and light shields will reduce the possible light and glare impacts from the project.

12. Recreation

a. What designated and informal recreational opportunities are in the immediate vicinity?

The Evergreen State Fair Grounds, mini racing tract, and Lake Tye are all in the immediate vicinity.

b. Would the proposed project displace any existing recreational uses? If so, describe.

Not applicable, this is a non-project proposal.

For information purposes: During future phases, no recreational uses would be displaced.

c. Proposed measures to reduce or control impacts on recreation, including recreation opportunities to be provided by the project or applicant, if any:

Not applicable, this is a non-project proposal.

For information purposes: Future phases of the project would implement a City planned element of the parks plan to install a boardwalk/trail along Hwy 2 and/or through the open space area to the west of the runway.

13. Historic and cultural preservation

a. Are there any places or objects listed on, or proposed for, national, state, or local preservation registers known to be on or next to the site? If so, generally describe.

None are known to exist.

b. Generally describe any landmarks or evidence of historic, archaeological, scientific, or cultural importance known to be on or next to the site.

None are known to exist.

c. Proposed measures to reduce or control impacts, if any:

Not applicable, this site has been an airport for 44 years.

14. Transportation

a. Identify public streets and highways serving the site, and describe proposed access to the existing street system. Show on site plans, if any.

The area of the proposal is served by 179th Ave SE, which provides access to Highway 3, a major state highway.

b. Is site currently served by public transit? If not, what is the approximate distance to the nearest transit stop?

A Community Transit Park and Ride is located just the west of 179th along Hwy 2.

c. How many parking spaces would the completed project have? How many would the project eliminate?

Not applicable, this is a non-project proposal.

d. Will the proposal require any new roads or streets, or improvements to existing roads or streets, not including driveways? If so, generally describe (indicate whether public or private).

Not applicable, this is a non-project proposal.

For information purposes: During future phases, the project will provide frontage improvements along 179th, such as widening the roadway and adding sidewalks and planter strips. There will not be any new roads created.

e. Will the project use (or occur in the immediate vicinity of) water, rail, or air transportation? If so, generally describe.

Not applicable, this is a non-project proposal.

For information purposes: The project is to make the existing airport more economically feasible and better able to handle air traffic as a means of transportation.

f. How many vehicular trips per day would be generated by the completed project? If known, indicate when peak volumes would occur.

Not applicable, this is a non-project proposal.

For information purposes: During future phases, traffic studies completed to evaluate the possible impact.

g. Proposed measures to reduce or control transportation impacts, if any:

Not applicable, this is a non-project proposal.

For information purposes: During future phases, mitigation measures as applicable will be proposed with regard to traffic impacts. Improvements to 179th and the close vicinity to the park and ride are things that will help reduce the traffic impacts of the project.

15. Public services

a. Would the project result in an increased need for public services (for example: fire protection, police protection, health care, schools, other)? If so, generally describe.

The project would result in an increased need for public services just like any commercial improvement would. There is not expected to be any special or significant increase in the need for public services.

b. Proposed measures to reduce or control direct impacts on public services, if any.

Buildings will be designed to the latest fire and building codes. The close proximity to the hospital will reduce the impact and drive time for emergency vehicles compared to the proposed uses being else ware in town.

16. Utilities

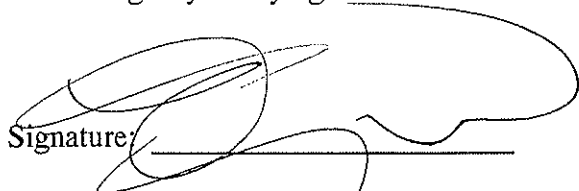
a. Circle utilities currently available at the site: electricity, natural gas, water, refuse service, telephone, sanitary sewer, septic system, other: cable utilities.

b. Describe the utilities that are proposed for the project, the utility providing the service, and the general construction activities on the site or in the immediate vicinity which might be needed.

Sewer extension??

C. SIGNATURE

The above answers are true and complete to the best of my knowledge. I understand that the lead agency is relying on them to make its decision.

Signature: 

Date Submitted: July 27, 2011

D. SUPPLEMENTAL SHEET FOR NON-PROJECT ACTIONS

Because these questions are very general, it may be helpful to read them in conjunction with the list of the elements of the environment.

When answering these questions, be aware of the extent the proposal, or the types of activities likely to result from the proposal, would affect the item at a greater intensity or at

a faster rate than if the proposal were not implemented. Respond briefly and in general terms.

- 1. How would the proposal be likely to increase discharge to water; emissions to air; production, storage, or release of toxic or hazardous substances; or production of noise?*

Changing the comprehensive plan designation from Parks/Open Space, R2-5, Special Regional Use, and Service Commercial to Limited Open Space Airport (LOSA) will change the nature and quantity of the discharge to water due to increases in impervious areas such as buildings, taxi ways, the runway expansion, and parking. It would increase emissions to the air primarily from vehicles. The production, storage or release of toxic or hazardous substances would increase only to the extent that they are associated with the kinds of uses and activities typically found in commercial uses such as restaurants, vehicle repair, and retail shops. Industrial uses involved in the production, storage or release of toxic or hazardous substances are not proposed for the area. An increase in commercial use and visitors to the airport will result in an increase in noise from vehicles and air craft.

Proposed measures to avoid or reduce such increases are:

The impacts of increases in water, emission, hazardous substances, and noise would be reduced or avoided through compliance with City of Monroe codes and state and federal regulations s follows:

Surface Water: Any development would need to meet the requirements of the City of Monroe for storm water discharge. Currently, these standards are based on the Department of Ecology Stormwater Manual for Western Washington as adopted by the City of Monroe. The Best Management Practices (BMP's) proposed by the Manual for stormwater controls are intended to use All Known Available and Reasonable Technology (AKART)for the mitigation of stormwater impacts.

Emissions to Air: All development will follow current code for the control of emissions from dust control during construction to EPA regulations on vehicle emissions to WADOE control of emissions from commercial uses.

Production, Storage, or Release of Toxins: The specified uses for the property are not generally known for the production or storage of toxins. Some vehicle and air craft repair will occur but this will not be different than any local repair shop. Current standards will be followed for the control of pollutants from all of the various land uses proposed.

Production of Noise: The increases in traffic, air and land, will be analyzed and reviewed based on current City of Monroe Code. Mitigation measures will be implemented as warranted by those studies.

The amendment will help reduce impacts by locating new regional public venues in close proximity to the Snohomish County Fair Grounds in an existing urban environment close to transit and major

highways. Additionally, mitigation measures, determined during the project level environmental review process also would avoid or reduce such increases.

2. How would the proposal be likely to affect plants, animals, fish, or marine life?

Much of the area to be re-designated is vacant land. If it is designated as LOSA it will encourage commercial development of the area that will result in the displacement of some animals further west and north, and large areas of vegetation will be removed during clearing activities associated with urban development. The extension of the runway will impact known critical areas. Fish or marine life should not be significantly affected due to the stringent enforcement of critical area regulations.

Proposed measures to protect or conserve plants, animals, fish, or marine life are:

Large portions of what the City has identified as probable wetlands in this area have been degraded in the past. Streams have been ditched and rerouted, invasive species are present and there is no personal connection for the people of Monroe to protect what is there. The impacts from the proposal will be mitigated, possibly through the use of innovative measures, to enhance and potentially improve the existing state of the critical areas.

3. How would the proposal be likely to deplete energy or natural resources?

Although the construction of the runway, taxi ways, parking, walkways and buildings will consume resources and energy, there are no site resources that will be depleted. The completed project will use natural gas, fuel and electricity for the daily operations.

Proposed measures to protect or conserve energy and natural resources are:

Compliance with City of Monroe regulations, Washington State Energy Code regulations, and SEPA mitigations are measures that will protect or conserve energy and natural resources.

It should be noted that the land was zoned for development previous to the comprehensive plan amendment proposal and that development of the land would have involved the use of many of the same resources and energy consumption of the proposal.

4. How would the proposal be likely to use or affect environmentally sensitive areas or areas designated (or eligible or under study) for governmental protection; such as parks, wilderness, wild and scenic rivers, threatened or endangered species habitat, historic or cultural sites, wetlands, floodplains, or prime farmlands?

For the airport to provide safe and expand services, the runway needs to be extended beyond the minimum requirements. Land for this extension is currently owned by the City of Monroe and kept as Open Space. The proposal would involve a boundary line revision to allow the project to obtain land from the City in return for land given over to the City in the local area. This would be

accomplished through a Boundary Line Adjustment. A portion of the runway extension would impact wetlands and streams.

Proposed measures to protect such resources or to avoid or reduce impacts are:

The bulk of the land needed for the runway extension would be exchanged for land currently not owned by the City that has similar characteristics through a Boundary Line Adjustment. Impacts to wetlands and streams would be in compliance with City of Monroe Critical Areas Regulations, City and State drainage regulations, and SEPA mitigations to offset impacts. Some anticipated mitigation measures are a reconnection of streams that have been ditched and diverted in the past, upgrade of values and function of the remaining wetlands, and creation of additional wetlands in a local wetland bank.

5. How would the proposal be likely to affect land and shoreline use, including whether it would allow or encourage land or shoreline uses incompatible with existing plans?

The proposal does not involve shorelines. Land use would not greatly change as the purpose of the proposal is to expand and improve the existing local airport.

Proposed measures to avoid or reduce shoreline and land use impacts are:

No measures are needed to avoid or reduce shoreline impacts as no shoreline uses are present. The site is currently used as an airport and the proposed improvements will support the airport and work in conjunction with the Evergreen State Fair Grounds across 179th Avenue from the site.

Measures to avoid or reduce land use impacts include compliance with City of Monroe regulations and SEPA mitigations.

6. How would the proposal be likely to increase demands on transportation or public services and utilities?

The expansion of the airport will likely bring in more air traffic as well as more vehicular access from the supporting infrastructure of hangers, restaurant, and other uses. These uses will in turn require emergency services (police, fire & medical), utility service, and access to public forms of transportation.

Proposed measures to reduce or respond to such demand(s) are:

The site is fronted by 179th Avenue, a major arterial in the Monroe Area. 179th Avenue provides immediate access to SR 2, a major state highway. Bus service through Community Transit is provided on both roadways in walking distance from the site.

The businesses provided for on the site will pay local taxes for the support of emergency services and local utilities. During planning for the actual construction, utility capacity will be reviewed with the City and, if required, upgrades will be designed and constructed.

The airport itself is a transportation node, and its viability and enhancement is, in itself, a transportation mitigation.

7. Identify, if possible, whether the proposal may conflict with local, state, or federal laws or requirements for the protection of the environment.

There is no known conflict. The implementation of the proposed development will require approvals from local agencies, City of Monroe; State agencies, Department of Ecology, Department of Fish and Wildlife and Department of Transportation; and Federal agencies, US Army Corp of Engineers and Federal Aviation Administration. It is expected that through meeting these various requirements, the site improvements will be designed to meet local, state and federal laws as well as to protect the local environment.

APPENDIX IV
TITLE REPORT AND LEGAL DESCRIPTION



First American

Handwritten: Harris
First American Title Insurance Company
2825 Colby Ave, Ste 300
Everett, WA 98201
Phn - (425)258-4104 (800)532-2110
Fax - (425)551-4107

Kristi Mathis
(425) 322-2008
kkmathis@firstam.com

Title Team (Snohomish)
Fax No. (866) 859-0429

Michelle Treherne
(425) 551-4164
mtreherne@firstam.com

Terri Nugent
(425) 551-4155
tnugent@firstam.com

To: **CE3 Realt Estate LLC**
148 Maple Avenue Suite A
Snohomish, WA 98290

File No.: **4229-1728619**
Your Ref No.:

Attn: Daniel Reina

Re: Property Address: **13708 179th Avenue Southeast, Monroe, WA 98272**

SECOND REPORT

COMMITMENT FOR TITLE INSURANCE

Issued by

FIRST AMERICAN TITLE INSURANCE COMPANY

Agreement to Issue Policy

We agree to issue a policy to you according to the terms of this Commitment.

When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.

The Requirements in Schedule B-I.

The General Exceptions and Exceptions in Schedule B-II.

The Conditions.

This Commitment is not valid without Schedule A and Section I and II of Schedule B.

SCHEDULE A

1. Commitment Date: July 18, 2011 at 7:30 A.M.

2. Policy or Policies to be issued:	AMOUNT	PREMIUM	TAX
Homeowner's Rate			
Standard Owner's Coverage	\$ To Follow	\$ To Follow	\$ To Follow
Proposed Insured:			
To Be Determined			
Simultaneous Issue Rate			
Extended Mortgagee's Coverage	\$ To Follow	\$ To Follow	\$ To Follow
Proposed Insured:			
To Be Determined			

3. (A) The estate or interest in the land described in this Commitment is:

Fee Simple

(B) Title to said estate or interest at the date hereof is vested in:

Doug J. Harris , who also appears of record as Douglas J. Harris and Cherie M. Harris, husband and wife

4. The land referred to in this Commitment is described as follows:
Real property in the County of Snohomish, State of Washington, described as follows:

The land referred to in this report is described in Exhibit A attached hereto.

**SCHEDULE B
SECTION I**

REQUIREMENTS

The following requirements must be met:

- (A) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (B) Pay us the premiums, fees and charges for the policy.
- (C) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded:
- (D) You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
- (E) Releases(s) or Reconveyance(s) of Item(s):
- (F) Other:
- (G) You must give us the following information:
 - 1. Any off record leases, surveys, etc.
 - 2. Statement(s) of Identity, all parties.
 - 3. Other:

**SCHEDULE B
SECTION II**

GENERAL EXCEPTIONS

PART ONE:

- A. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
- B. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
- C. Easements, claims of easement or encumbrances which are not shown by the public records.
- D. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- E. (A) Unpatented mining claims; (B) Reservations or exceptions in patents or in Acts authorizing the issuance thereof; (C) Water rights, claims or title to water; whether or not the matters excepted under (A), (B) or (C) are shown by the public records; (D) Indian Tribal Codes or Regulations, Indian Treaty or Aboriginal Rights, including easements or equitable servitudes.
- F. Any lien, or right to a lien, for services, labor or materials or medical assistance heretofore or hereafter furnished, imposed by law and not shown by the public records.
- G. Any service, installation, connection, maintenance, construction, tap or reimbursement charges/costs for sewer, water, garbage or electricity.
- H. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof, but prior to the date the proposed insured acquires of record for value the escrow or interest or mortgage(s) thereon covered by this Commitment.

**SCHEDULE B
SECTION II**

EXCEPTIONS

PART TWO:

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction. The printed exceptions and exclusions from the coverage of the policy or policies are available from the office which issued this Commitment. Copies of the policy forms should be read.

1. Lien of the Real Estate Excise Sales Tax and Surcharge upon any sale of said premises, if unpaid. As of the date herein, the excise tax rate for the **City of Monroe** is at **1.78 %**.
Levy/Area Code: 0530
2. General Taxes for the year 2011. The first half becomes delinquent after April 30th. The second half becomes delinquent after October 31st.
Tax Account No.: 28063500100500
1st Half
Amount Billed: \$ 2,008.09
Amount Paid: \$ 2,008.09
Amount Due: \$ 0.00
Assessed Land Value: \$ 163,100.00
Assessed Improvement Value: \$ 189,100.00
2nd Half
Amount Billed: \$ 2,008.09
Amount Paid: \$ 0.00
Amount Due: \$ 2,008.09
Assessed Land Value: \$ 163,100.00
Assessed Improvement Value: \$ 189,100.00
3. Deed of Trust and the terms and conditions thereof.
Grantor/Trustor: Douglas J Harris and Cherie M Harris, husband and wife
Grantee/Beneficiary: Mortgage Electronic Registration Systems, Inc., "MERS" solely as a nominee for AmericanWest Bank, a Washington Corporation, its successors and assigns
Trustee: First American Title - Monroe
Amount: \$330,000.00
Recorded: February 24, 2009
Recording Information: 200902240286
4. Easement, including terms and provisions contained therein:
Recording Information: 1026380
For: Existing road
5. Easement, including terms and conditions contained therein:
Granted to: Pacific Northwest Pipeline Corporation, a Delaware Corporation
For: Pipeline or pipelines for the transportation of oil gas, and other products thereof
Recorded: October 10, 1957
Recording Information: 1256191

6. Easement, including terms and conditions contained therein:
Granted to: Pacific Northwest Pipeline Corporation, a Delaware Corporation
For: Pipeline or pipelines for the transportation of oil gas, and other products thereof
Recorded: October 10, 1957
Recording Information: 1256192
7. Easement, including terms and conditions contained therein:
Granted to: Pacific Northwest Pipeline Corporation, a Delaware Corporation
For: Right of way for the purpose of constructing, using and maintaining an access road
Recorded: December 31, 1957
Recording Information: 1265927
8. Easement, including terms and conditions contained therein:
Granted to: Pacific Natural Gas Co, a Corporation
For: A Pipeline or pipelines for the transportation of oil gas, and other products thereof
Recording Information: 1268288
9. An easement affecting the portion of said premises and for the purposes stated herein, and incidental purposes.
For: Ingress, egress and utilities
In Favor Of: Gus Brinkman, husband of Lillianne Brinkman, as his separate property
Recorded: September 27, 1966
Recording Information: 1900652
Affects: Easterly 30 feet
10. Relinquishment of right to access to State Highway and of light, view and air, under terms of Deed to the State of Washington .
Recording Information: 2277294
11. Any and all offers of dedication, conditions, restrictions, easements, fence line/boundary discrepancies, notes and/or provisions shown or disclosed by Short Plat or Plat recorded under recording number 8510030389.
12. Easement, including terms and conditions contained therein:
Granted to: Public Utility District No. 1 of Snohomish County
For: An electric distribution line
Recorded: November 05, 1985
Recording Information: 8511050073
13. Easement, including terms and conditions contained therein:
Granted to: Puget Sound Energy, a Washington Corporation
For: Gas pipeline or pipelines with all connections and appurtenances thereto
Recorded: August 06, 1997
Recording Information: 9708060165
14. The terms and provisions contained in the document entitled "Non Adverse Possession Agreement"

Recorded:	April 22, 2003
Recording No.:	200304220926

INFORMATIONAL NOTES

- A. Potential charges, for the King County Sewage Treatment Capacity Charge, as authorized under RCW 35.58 and King County Code 28.84.050. Said charges could apply for any property that connected to the King County Sewer Service area on or after February 1, 1990. Note: Properties located in Snohomish County may be subject to the King County Sewage Treatment Capacity Charges.
- B. Effective January 1, 1997, and pursuant to amendment of Washington State Statutes relating to standardization of recorded documents, the following format and content requirements must be met. Failure to comply may result in rejection of the document by the recorder.
- C. Any sketch attached hereto is done so as a courtesy only and is not part of any title commitment or policy. It is furnished solely for the purpose of assisting in locating the premises and First American expressly disclaims any liability which may result from reliance made upon it.
- D. The description can be abbreviated as suggested below if necessary to meet standardization requirements. The full text of the description must appear in the document(s) to be insured.

LOT 2, SP 2 (1-85), REC. 8510030389, BEING A PTN SEC 35 TWP 28N RGE 6E NE QTR,
SNOHOMISH COUNTY

APN: 28063500100500
- E. The following deeds affecting the property herein described have been recorded within 24 months of the effective date of this commitment: NONE
- F. All matters regarding extended coverage have been cleared for mortgagee's policy. The coverage contemplated by this paragraph will not be afforded in any forthcoming owner's standard coverage policy to be issued.

Property Address: **13708 179th Avenue Southeast, Monroe, WA 98272**

NOTE: The forthcoming Mortgagee's Policy will be the ALTA 2006 Policy unless otherwise noted on Schedule A herein.

NOTE: We find no judgments or Federal tax liens against the vestee herein, unless otherwise shown as a numbered exception above.

NOTE: A FEE WILL BE CHARGED UPON THE CANCELLATION OF THIS COMMITMENT PURSUANT TO WASHINGTON STATE INSURANCE CODE AND THE FILED RATE SCHEDULE OF THIS COMPANY.

CONDITIONS

1. DEFINITIONS

(a)"Mortgage" means mortgage, deed of trust or other security instrument.

(b)"Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

2. LATER DEFECTS

The Exceptions in Schedule B - Section II may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B - Section I are met. We shall have no liability to you because of this amendment.

3. EXISTING DEFECTS

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

4. LIMITATION OF OUR LIABILITY

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

comply with the Requirements shown in Schedule B - Section I

or

eliminate with our written consent any Exceptions shown in Schedule B - Section II.

We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. CLAIMS MUST BE BASED ON THIS COMMITMENT

Any claim, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this commitment and is subject to its terms.

cc:

cc: Doug J. Harris and Cherie M. Harris



First American

First American Title Insurance Company

2825 Colby Ave, Ste 300
Everett, WA 98201
Phn - (425)258-4104 (800)532-2110
Fax - (425)551-4107



First American Title

Privacy Information

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet.

In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

©2010 First American Financial Corporation. All rights reserved. NYSE: FAF

FIRST AMERICAN TITLE INSURANCE COMPANY
Exhibit "A"

Vested Owner: Doug J. Harris , who also appears of record as Douglas J. Harris and Cherie M. Harris,
husband and wife

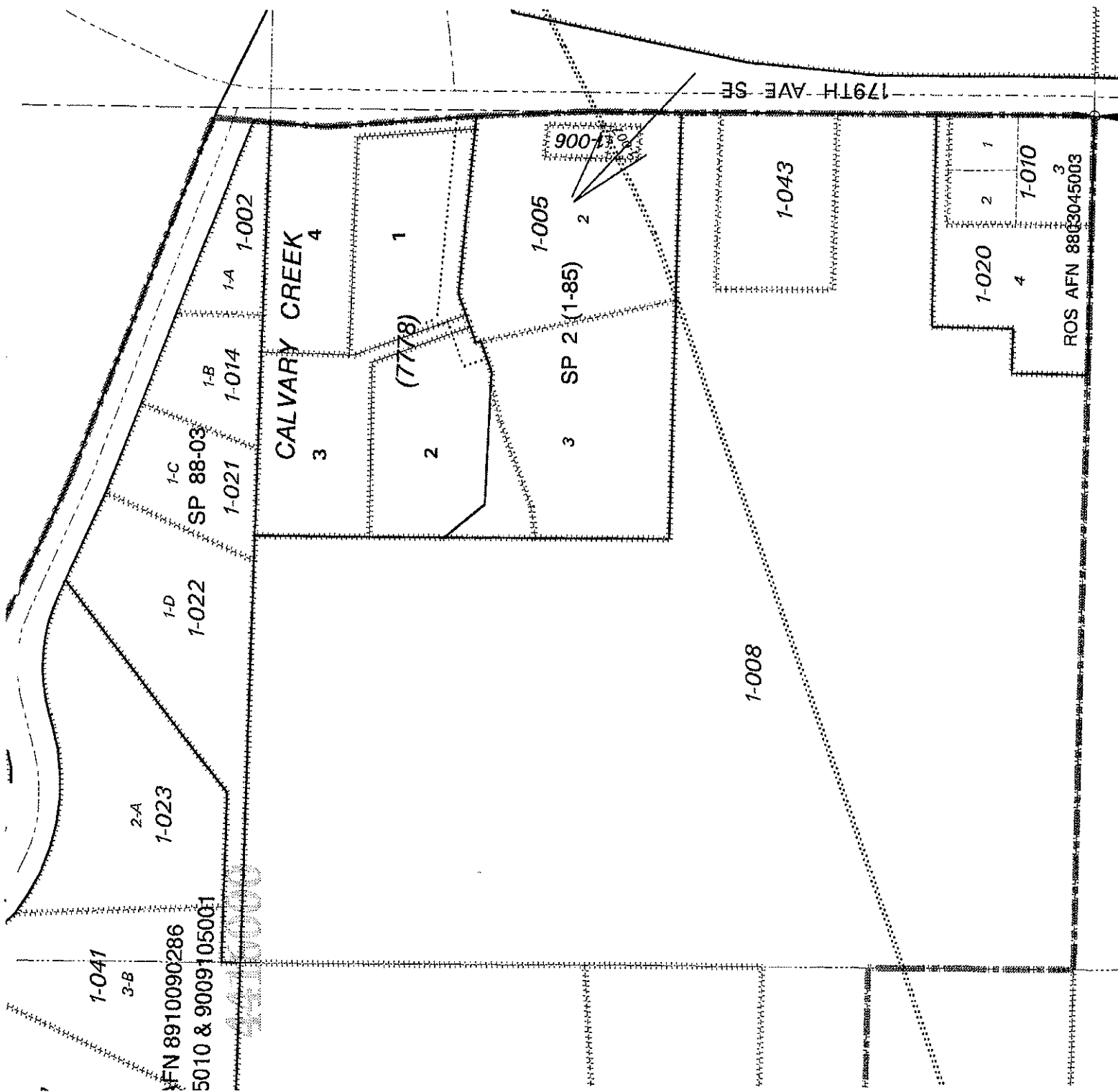
Real property in the County of Snohomish, State of Washington, described as follows:

LOT 2, OF SHORT PLAT 2 (1-85) RECORDED UNDER RECORDING NO. 8510030389, BEING A PORTION
OF THE NORTHEAST QUARTER OF SECTION 35, TOWNSHIP 28 NORTH, RANGE 6 EAST, W M

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

Tax Parcel Number: 28063500100500

Situs Address: 13708 179th Avenue Southeast, Monroe, WA 98272





First American

Habrich
First American Title Insurance Company
2825 Colby Ave, Ste 300
Everett, WA 98201
Phn - (425)258-4104 (800)532-2110
Fax - (425)551-4107

Kristi Mathis
(425) 322-2008
kkmathis@firstam.com

Title Team (Snohomish)
Fax No. (866) 859-0429

Michelle Treherne
(425) 551-4164
mtreherne@firstam.com

Terri Nugent
(425) 551-4155
tnugent@firstam.com

To: **CE3 Realt Estate LLC**
148 Maple Avenue Suite A
Snohomish, WA 98290

File No.: **4229-1728735**
Your Ref No.:

Attn: Daniel Reina

Re: Property Address: **13702 and 13812 179th Avenue Southeast, Monroe, WA 98272**

Second Report

COMMITMENT FOR TITLE INSURANCE

Issued by

FIRST AMERICAN TITLE INSURANCE COMPANY

Agreement to Issue Policy

We agree to issue a policy to you according to the terms of this Commitment.

When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.

The Requirements in Schedule B-I.

The General Exceptions and Exceptions in Schedule B-II.

The Conditions.

This Commitment is not valid without Schedule A and Section I and II of Schedule B.

SCHEDULE A

1. Commitment Date: July 18, 2011 at 7:30 A.M.

2. Policy or Policies to be issued:	AMOUNT	PREMIUM	TAX
Short Term Rate			
Standard Owner's Coverage	\$ To Follow	\$ To Follow	\$ To Follow
Proposed Insured:			
To Be Determined			
Simultaneous Issue Rate			
Extended Mortgagee's Coverage	\$ To Follow	\$ To Follow	\$ To Follow
Proposed Insured:			
To Be Determined			
Easement Charge		\$ 40.00	\$ 3.68

3. (A) The estate or interest in the land described in this Commitment is:

Fee simple as to Parcel(s) A, B and C, an easement as to Parcel(s) A1, B1 and C1.

(B) Title to said estate or interest at the date hereof is vested in:

Daryl J. Habich, as his sole and separate property

4. The land referred to in this Commitment is described as follows:

Real property in the County of Snohomish, State of Washington, described as follows:

The land referred to in this report is described in Exhibit A attached hereto.

**SCHEDULE B
SECTION I**

REQUIREMENTS

The following requirements must be met:

- (A) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (B) Pay us the premiums, fees and charges for the policy.
- (C) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded:
- (D) You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
- (E) Releases(s) or Reconveyance(s) of Item(s):
- (F) Other:
- (G) You must give us the following information:
 - 1. Any off record leases, surveys, etc.
 - 2. Statement(s) of Identity, all parties.
 - 3. Other:

**SCHEDULE B
SECTION II**

GENERAL EXCEPTIONS

PART ONE:

- A. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
- B. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
- C. Easements, claims of easement or encumbrances which are not shown by the public records.
- D. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- E. (A) Unpatented mining claims; (B) Reservations or exceptions in patents or in Acts authorizing the issuance thereof; (C) Water rights, claims or title to water; whether or not the matters excepted under (A), (B) or (C) are shown by the public records; (D) Indian Tribal Codes or Regulations, Indian Treaty or Aboriginal Rights, including easements or equitable servitudes.
- F. Any lien, or right to a lien, for services, labor or materials or medical assistance heretofore or hereafter furnished, imposed by law and not shown by the public records.
- G. Any service, installation, connection, maintenance, construction, tap or reimbursement charges/costs for sewer, water, garbage or electricity.
- H. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof, but prior to the date the proposed insured acquires of record for value the escrow or interest or mortgage(s) thereon covered by this Commitment.

**SCHEDULE B
SECTION II**

EXCEPTIONS

PART TWO:

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction. The printed exceptions and exclusions from the coverage of the policy or policies are available from the office which issued this Commitment. Copies of the policy forms should be read.

1. Lien of the Real Estate Excise Sales Tax and Surcharge upon any sale of said premises, if unpaid. As of the date herein, the excise tax rate for the **City of Monroe** is at **1.78 %**.
Levy/Area Code: 0530

2. General Taxes for the year 2011. The first half becomes delinquent after April 30th. The second half becomes delinquent after October 31st.

Tax Account No.: 28063500101200

1st Half

Amount Billed:	\$ 1,700.01
Amount Paid:	\$ 1,700.01
Amount Due:	\$ 0.00
Assessed Land Value:	\$ 141,400.00
Assessed Improvement Value:	\$ 156,700.00

2nd Half

Amount Billed:	\$ 1,700.02
Amount Paid:	\$ 0.00
Amount Due:	\$ 1,700.02
Assessed Land Value:	\$ 141,400.00
Assessed Improvement Value:	\$ 156,700.00

Affects: Parcel A

3. Delinquent General Taxes for the year 2011 . The first half becomes delinquent after April 30th. The second half becomes delinquent after October 31st.

Tax Account No.: 28063500104300

1st Half

Amount Billed:	\$ 3,193.61
Amount Paid:	\$ 0.00
Amount Due:	\$ 3,193.61, plus interest and penalty

2nd Half

Amount Billed:	\$ 3,193.61
Amount Paid:	\$ 0.00
Amount Due:	\$ 3,193.61, plus interest and penalty
Assessed Land Value:	\$ 159,000.00
Assessed Improvement Value:	\$ 401,400.00

Affects: Parcel B

4. Delinquent General Taxes for the year 2011 . The first half becomes delinquent after April 30th. The second half becomes delinquent after October 31st.

Tax Account No.: 28063500100800

1st Half

Amount Billed: \$ 14,451.41
Amount Paid: \$ 0.00
Amount Due: \$ 14,451.41, plus interest and penalty

2nd Half

Amount Billed: \$ 14,451.41
Amount Paid: \$ 0.00
Amount Due: \$ 14,451.41, plus interest and penalty
Assessed Land Value: \$ 1,382,200.00
Assessed Improvement Value: \$ 1,155,100.00
Affects: Parcel C

5. Personal Property Taxes.

Account No.: 2787784

Year: 2011

Amount Billed: \$ 68.40
Amount Paid: \$ 34.20
Amount Due: \$ 34.20

There are Personal Property Taxes disclosed in the tax roll. Contact the Snohomish County Treasurer for more information.

6. Deed of Trust and the terms and conditions thereof.

Grantor/Trustor: Daryl J Habich and Mary Jane Habich, husband and wife
Grantee/Beneficiary: Cascade Bank
Trustee: Pacific Northwest Title Company of Snohomish County, a Washington Corporation
Amount: \$1,300,000.00
Recorded: December 29, 2005
Recording No.: 200512291179
Affects: Parcel C

Modification and/or amendment by instrument:

Recorded: June 11, 2007
Recording Information: 200706110722

7. Deed of Trust and the terms and conditions thereof.

Grantor/Trustor: Daryl J Habich and Mary Jane Habich, husband and wife
Grantee/Beneficiary: Cascade Bank
Trustee: Pacific Northwest Title Company of Snohomish County, a Washington Corporation
Amount: \$100,000.00
Recorded: April 09, 2003
Recording No.: 200304090854
Affects: Parcel C

Note: This Deed of Trust contains Line of Credit privileges. If the current balance owing on said obligation is to be paid in full in the forthcoming transaction, confirmation should be made that the beneficiary will issue a proper request for full reconveyance.

The lien of said Deed of Trust was subordinated to the lien of the instrument recorded December 29, 2005 under recording no. 200512291179 by agreement recorded December 29, 2005 under recording no. 200512291181.

8. Deed of Trust and the terms and conditions thereof.

Grantor/Trustor: Daryl J Habich and Mary Jane Habich, husband and wife
Grantee/Beneficiary: Cascade Bank
Trustee: Evergreen Title Company
Amount: \$250,000.00
Recorded: February 28, 2006
Recording Information: 200602280109
Affects: Parcel B

9. Deed of Trust and the terms and conditions thereof.

Grantor/Trustor: Daryl J Habich
Grantee/Beneficiary: Mary Jane Habich
Trustee: Chicago Title Insurance Co.
Amount: \$483,883.00
Recorded: May 08, 2006
Recording Information: 200605080343
Affects: Parcels B and C

The lien of said Deed of Trust was subordinated to the lien of the instrument recorded December 29, 2005 under recording no. 200512291179 by agreement recorded June 11, 2007 under recording no. 200706110723.

10. Assignment of leases and/or rents and the terms and conditions thereof:

Assignor: Daryl J Habich and Mary Jane Habich, husband and wife
Assignee: Cascade Bank
Recorded: December 29, 2005
Recording Information: 200512291180
Affects: Parcel C

11. Deed of Trust and the terms and conditions thereof.

Grantor/Trustor: Daryl J Habich, an unmarried man as his sole and separate property
Grantee/Beneficiary: Mortgage Electronic Registration Systems, Inc., "MERS" solely as a nominee for Network Mortgage Services, Inc., a Washington Corporation, its successors and assigns
Trustee: First American Title
Amount: \$224,000.00
Recorded: January 06, 2011
Recording No.: 201101060639
Affects: Parcel A

12. Mechanics Lien.

Claimant: NYS Enterprises
Against: Firstair Field / Darrel Habich
Amount: \$2,980.43
For: Labor and/or Materials and/or Equipment
Date Work Commenced: October 30, 2010

Date Work Ceased: December 20, 2011
Recorded: March 10, 2011
Recording No.: 201103100322
Affects: Parcel C

13. Unrecorded leaseholds, if any, rights of vendors and security agreement on personal property and rights of tenants, and secured parties to remove trade fixtures at the expiration of the term.
14. Easement, including terms and provisions contained therein:
Recording Information: 608554
In Favor of: Undisclosed
For: Pipeline
Affects: Parcel C
15. Easement, including terms and conditions contained therein:
Granted to: G.S. Lund
For: Road
Recorded: May 12, 1952
Recording Information: 1026380
Affects: Parcel C
16. Easement, including terms and provisions contained therein:
Recording Information: 1256191
In Favor of: Pacific Northwest Pipeline Corporation, a Delaware Corporation, its successors and assigns
For: the right to select the route for and construct, maintain, inspect, operate, protect, repair, replace, alter or remove a pipeline for the transportation of oil, gas and the products thereof
Affects: Parcels A and C
17. Easement, including terms and provisions contained therein:
Recording Information: 1256192
In Favor of: Pacific Northwest Pipeline Corporation, a Delaware Corporation, its successors and assigns
For: the right to select the route for and construct, maintain, inspect, operate, protect, repair, replace, alter or remove a pipeline for the transportation of oil, gas and the products thereof
Affects: Parcels A and C

18. The terms and provisions contained in the document entitled "Ratification Agreement"
Recorded: October 10, 1957
Recording No.: 1256193
Affects: Parcel C
19. Easement, including terms and provisions contained therein:
Recording Information: 1265927
In Favor of: Pacific Northwest Pipeline Corporation, a Delaware Corporation
For: constructing, using and maintaining an access road
Affects: Parcels A and C
20. Easement, including terms and conditions contained therein:
Granted to: Warren E. Potter and Rosetta Bridges Potter, his wife
For: Private Lane
Recorded: February 9, 1960
Recording Information: 1382625
Affects: Parcel C
21. Easement, including terms and conditions contained therein:
Granted to: Pacific Washington Corporation, a Washington corporation
For: undisclosed
Recorded: April 7, 1967
Recording Information: 1946249
Affects: Parcel C
22. Covenants, Conditions, Restrictions and/or Easement contained in the following instrument:
Deed
Executed by: Val B. Crane and Catherine Crane, his wife
Recorded: April 10, 1967
Recording No.: 1946251
23. The terms and provisions contained in the document entitled "Owners Special Use Binder"
Recorded: October 16, 1980
Recording No.: 8010160155
Affects: Parcel C
24. Easement, including terms and provisions contained therein:
In Favor Of: Public Utility District 1 of Snohomish County
Purpose: Electric transmission and/or distribution system
Recorded: December 4, 1980
Recording No.: 8012040173
Affects: Parcels B and C
25. The terms and provisions contained in the document entitled "Concomitant Rezone Agreement"
Recorded: December 18, 1984
Recording No.: 8412180129
Affects: Parcel C

26. Any and all offers of dedication, conditions, restrictions, easements, fence line/boundary discrepancies, notes and/or provisions shown or disclosed by Short Plat 2 (1-85) recorded under recording number 8510030389.
Affects: Parcel A
27. Easement, including terms and provisions contained therein:
In Favor Of: Public Utility District 1 of Snohomish County
Purpose: Electric transmission and/or distribution system
Recorded: November 05, 1985
Recording No.: 8511050073
Affects: Parcel A
28. Covenants, Conditions and/or Restrictions contained in the following instrument:
Deed
Executed by:
Recorded: November 4, 1986
Recording No.: 8611040017
Affects: Parcel C
29. Conditions, notes, easements, provisions and/or encroachments contained or delineated on the face of the Survey recorded under Recording No. 8612155034.
Affects: Parcel A
30. The terms and provisions contained in the document entitled "Owners Special Use Binder"
Recorded: October 16, 1990
Recording No.: 9010160155
Affects: Parcel B
31. Conditions, notes, easements, provisions and/or encroachments contained or delineated on the face of the Survey recorded under Recording No. 9308135001.
Affects: Parcels B and C

Affidavit of Correction of Survey

Recorded: October 19, 1993
Recording Number: 9310190338

32. Terms, covenants, conditions and restrictions as contained in recorded Lot Line Adjustment (Boundary Line Revisions):
Recorded: August 18, 1993
Recording Information: 9308180203
Affects: Parcels B and C

Correction to Legal Description of City of Monroe Boundary Line Adjustment (BA193005)

Recorded: November 5, 1993
Recording Number : 9311050242

33. Easement, including terms and conditions contained therein:
Granted to: City of Monroe, a municipal corporation
For: water line
Recorded: June 25, 1996
Recording Information: 9606250465
Affects: Parcel C
34. Easement, including terms and provisions contained therein:
In Favor Of: Public Utility District 1 of Snohomish County
Purpose: Electric transmission and/or distribution system
Recorded: December 30, 1996
Recording No.: 9612301104
Affects: Parcel C
35. Terms, covenants, conditions and restrictions as contained in recorded Lot Line Adjustment (Boundary Line Revisions):
Recorded: September 15, 1998
Recording Information: 9809155003
Affects: Parcel A
- Affidavit of Correction recorded under Recording No. 200010120087.
36. The terms and provisions contained in the document entitled "Non-Adverse Possession Agreement"
Recorded: March 13, 2000
Recording No.: 200003130067
Affects: Parcels A and C
37. Easement, and the terms and provisions thereof:
Grantee: Public Utility District No. 1 of Snohomish County, a Municipal corporation of the State of Washington
Purpose: Electric transmission and/or communication
Recorded: June 2, 2000
Auditor's File No.: 200006020264
Affects: Parcels B and C
38. Easement, including terms and provisions contained therein:
Recorded: June 12, 2000
Recording Information: 200006120054
In Favor Of: Puget Sound Energy, Inc., a Washington corporation
For: Electric transmission and/or distribution system
Affects: Parcels B and C
39. Easement, including terms and conditions contained therein:
Granted to: Verizon Northwest Incorporated, a Washington corporation
For: underground telecommunications facilities
Recorded: March 23, 2001
Recording Information: 200103230490
Affects: Parcel C

40. The terms and provisions contained in the document entitled "Non-Adverse Possession Agreement"
- Recorded: April 22, 2003
Recording No.: 200304220926
Affects: Parcel A
41. Easement, including terms and conditions contained therein:
- Granted to: David Holzerland
For: use of storm water detention/retention and treatment facilities
Recorded: July 24, 2003
Recording Information: 200307240401
Affects: Parcel C
42. Easement, including terms and conditions contained therein:
- Recorded: July 24, 2003
Recording Information: 200307240402
Affects: Parcel C
43. Easement Agreement and the terms and conditions thereof:
- Between: Daryl J. Habich, as his separate property
And: Richard C. Nova, as trustee of Revocable Trust of Robert A. Nova U/I/D 2-5-09
Recording Information: 200910050386
Affects: Parcels A and C

INFORMATIONAL NOTES

- A. Potential charges, for the King County Sewage Treatment Capacity Charge, as authorized under RCW 35.58 and King County Code 28.84.050. Said charges could apply for any property that connected to the King County Sewer Service area on or after February 1, 1990. Note: Properties located in Snohomish County may be subject to the King County Sewage Treatment Capacity Charges.
- B. Effective January 1, 1997, and pursuant to amendment of Washington State Statutes relating to standardization of recorded documents, the following format and content requirements must be met. Failure to comply may result in rejection of the document by the recorder.
- C. Any sketch attached hereto is done so as a courtesy only and is not part of any title commitment or policy. It is furnished solely for the purpose of assisting in locating the premises and First American expressly disclaims any liability which may result from reliance made upon it.
- D. The description can be abbreviated as suggested below if necessary to meet standardization requirements. The full text of the description must appear in the document(s) to be insured.
- LOTS 1 AND 2, CITY OF MONROE, BOUNDARY LINE ADJUSTMENT NO. 193005, REC.
9308135001 AND LOT 3, CITY OF MONROE, BOUNDARY LINE ADJUSTMENT NO. 198002, REC.
9809155003, SNOHOMISH COUNTY
- APN: 28063500101200, 28063500104300 and 28063500100800
- E. The following deeds affecting the property herein described have been recorded within 24 months of the effective date of this commitment: 201101060638

Property Address: **13702 and 13812 179th Avenue Southeast, Monroe, WA 98272**

NOTE: The forthcoming Mortgagee's Policy will be the ALTA 2006 Policy unless otherwise noted on Schedule A herein.

NOTE: We find no judgments or Federal tax liens against the vestee herein, unless otherwise shown as a numbered exception above.

NOTE: A FEE WILL BE CHARGED UPON THE CANCELLATION OF THIS COMMITMENT PURSUANT TO WASHINGTON STATE INSURANCE CODE AND THE FILED RATE SCHEDULE OF THIS COMPANY.

CONDITIONS

1. DEFINITIONS

(a)"Mortgage" means mortgage, deed of trust or other security instrument.

(b)"Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

2. LATER DEFECTS

The Exceptions in Schedule B - Section II may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B - Section I are met. We shall have no liability to you because of this amendment.

3. EXISTING DEFECTS

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

4. LIMITATION OF OUR LIABILITY

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

comply with the Requirements shown in Schedule B - Section I

or

eliminate with our written consent any Exceptions shown in Schedule B - Section II.

We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. CLAIMS MUST BE BASED ON THIS COMMITMENT

Any claim, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this commitment and is subject to its terms.

cc:

cc: Daryl Habich



First American

First American Title Insurance Company
2825 Colby Ave, Ste 300
Everett, WA 98201
Phn - (425)258-4104 (800)532-2110
Fax - (425)551-4107



First American Title

Privacy Information

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet. In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site. There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive. FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

©2010 First American Financial Corporation. All rights reserved. NYSE: FAF

FIRST AMERICAN TITLE INSURANCE COMPANY
Exhibit "A"

Vested Owner: Daryl J. Habich, as his sole and separate property

Real property in the County of Snohomish, State of Washington, described as follows:

PARCEL A:

LOT 3 OF SP 2 (1-85) RECORDED UNDER AUDITORS FILE NO. 8510030389, RECORDS OF SNOHOMISH COUNTY, WASHINGTON; LESS THE FOLLOWING PORTION OF SAID LOT 3;

BEGINNING AT THE NORTHWESTERLY CORNER OF SAID LOT 3,
THENCE SOUTH 41°02'08" EAST, ALONG THE LINE BETWEEN SAID LOT 2 AND SAID LOT 3, 81.04 FEET;
THENCE SOUTH 88°49'45" EAST ALONG SAID LINE, 188.25 FEET TO THE CENTERLINE OF AN EXISTING CREEK; (THE NEXT SEVEN COURSES ARE ALONG SAID CENTERLINE)
THENCE SOUTH 59°20'29" WEST, 18.07 FEET;
THENCE SOUTH 79°15'39" WEST, 50.31 FEET;
THENCE SOUTH 55°03'24" WEST, 12.16 FEET;
THENCE SOUTH 74°03'57" WEST, 25.76 FEET;
THENCE SOUTH 65°44'15" WEST, 57.72 FEET;
THENCE SOUTH 69°55'51" WEST, 42.25 FEET;
THENCE SOUTH 84°06'48" WEST, 47.23 FEET TO A POINT ON THE WEST LINE OF SAID LOT 3;
THENCE NORTH 0°59'11" WEST, 140.68 FEET TO THE POINT OF BEGINNING.

(AS PER CITY OF MONROE BOUNDARY LINE ADJUSTMENT NO. 198002 RECORDED UNDER AUDITOR'S FILE NO. 9809155003 AND CORRECTED UNDER AUDITOR'S FILE NO. 200010120087.)

PARCEL A1:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS AS DELINEATED ON SP 2(1-85) RECORDED UNDER AUDITOR'S FILE NO. 8510030389, RECORDS OF SNOHOMISH COUNTY, WASHINGTON.

PARCEL B:

THE SOUTH 180.00 FEET IN WIDTH OF THE NORTH 240.00 FEET IN WIDTH OF THE EAST 275.00 FEET IN WIDTH OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 35, TOWNSHIP 28 NORTH, RANGE 6 EAST, W.M. IN SNOHOMISH COUNTY, WASHINGTON;

(ALSO KNOWN AS LOT 1 OF CITY OF MONROE BOUNDARY LINE ADJUSTMENT 193005 RECORDED UNDER AUDITORS FILE NUMBER 9308135001 AND CORRECTED UNDER AUDITORS FILE NUMBER 9310190338 AND BOUNDARY LINE ADJUSTMENT RECORDED UNDER RECORDING NUMBER 9308180203).

PARCEL B1:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS, UNDER AND ACROSS THE NORTH 60.00 FEET IN WIDTH OF SAID SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 35.

PARCEL C:

THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 35 TOWNSHIP 28 NORTH, RANGE 6 EAST, W.M. IN SNOHOMISH COUNTY, WASHINGTON;

EXCEPT THAT PORTION DESCRIBED IN DEED RECORDED IN VOLUME 2007 AT PAGE 2014 UNDER RECORDING NUMBER 8611040017;

AND EXCEPT THE SOUTH 180.00 FEET IN WIDTH OF THE NORTH 240.00 FEET IN WIDTH OF THE EAST 275.00 FEET IN WIDTH OF SAID SOUTH HALF OF THE SOUTHEAST QUARTER OF SECTION 35;

TOGETHER WITH THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, AND THE SOUTH 1/6TH OF THE NORTH 3/4TH OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 35;

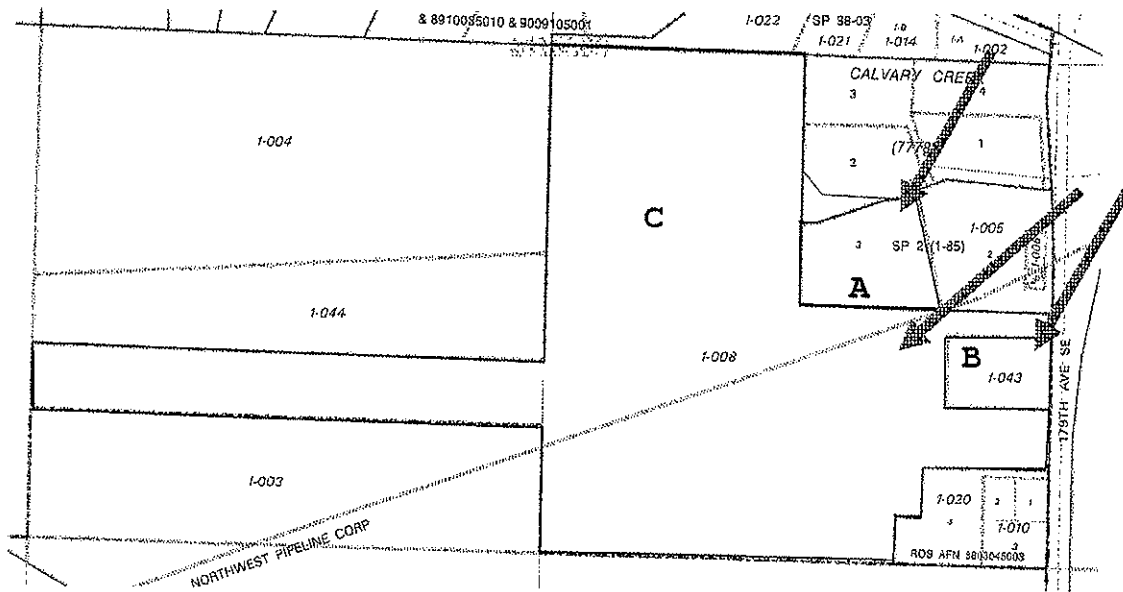
(ALSO KNOWN AS LOT 2 OF CITY OF MONROE BOUNDARY LINE ADJUSTMENT NO. 193005 RECORDED UNDER AUDITORS FILE NUMBER 9308135001 AND CORRECTED UNDER AUDITORS FILE NUMBER 9310190338 AND BOUNDARY LINE ADJUSTMENT RECORDED UNDER RECORDING NUMBER 9308180203).

PARCEL C1:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS, UNDER AND ACROSS THE NORTH 60.00 FEET IN WIDTH OF SAID SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 35.

Tax Parcel Number: 28063500101200, 28063500104300 and 28063500100800

Situs Address: 13702 and 13812 179th Avenue Southeast, Monroe, WA 98272



N

Order No. **1728735**

IMPORTANT: This is not a Plat of Survey. It is furnished as a convenience to locate the land indicated hereon with reference to streets and other land. No liability is assumed by reason of reliance hereon.





First American

City of Monroe
First American Title Insurance Company
2825 Colby Ave, Ste 300
Everett, WA 98201
Phn - (425)258-4104 (800)532-2110
Fax - (425)551-4107

Kristi Mathis
(425) 322-2008
kkmathis@firstam.com

Title Team (Snohomish)
Fax No. (866) 859-0429

Michelle Treherne
(425) 551-4164
mtreherne@firstam.com

Terri Nugent
(425) 551-4155
tnugent@firstam.com

To: CE3 Realt Estate LLC
148 Maple Avenue Suite A
Snohomish, WA 98290

File No.: 4229-1728575
Your Ref No.:

Attn: Daniel Reina

Re: Property Address: To Be Determined, WA

SECOND REPORT

COMMITMENT FOR TITLE INSURANCE

Issued by

FIRST AMERICAN TITLE INSURANCE COMPANY

Agreement to Issue Policy

We agree to issue a policy to you according to the terms of this Commitment.

When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.

The Requirements in Schedule B-I.

The General Exceptions and Exceptions in Schedule B-II.

The Conditions.

This Commitment is not valid without Schedule A and Section I and II of Schedule B.

SCHEDULE A

1. Commitment Date: July 18, 2011 at 7:30 A.M.

2. Policy or Policies to be issued:	AMOUNT	PREMIUM	TAX
General Schedule Rate			
Standard Owner's Coverage	\$ To Follow	\$ To Follow	\$ To Follow
Proposed Insured:			
To Be Determined			
Simultaneous Issue Rate			
Extended Mortgagee's Coverage	\$ To Follow	\$ To Follow	\$ To Follow
Proposed Insured:			
To Be Determined			
Easement Charge		\$ 40.00	\$ 3.68

3. (A) The estate or interest in the land described in this Commitment is:

Fee simple as to Parcel(s) A, B, C, an easement as to Parcel(s) A1.

(B) Title to said estate or interest at the date hereof is vested in:

The City of Monroe, a Municipal Corporation

4. The land referred to in this Commitment is described as follows:

Real property in the County of Snohomish, State of Washington, described as follows:

The land referred to in this report is described in Exhibit A attached hereto.

APN: 28063500201800, 28063500100400 and 28063500201600

**SCHEDULE B
SECTION I
REQUIREMENTS**

The following requirements must be met:

- (A) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (B) Pay us the premiums, fees and charges for the policy.
- (C) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded:
- (D) You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
- (E) Releases(s) or Reconveyance(s) of Item(s):
- (F) Other:
- (G) You must give us the following information:
 - 1. Any off record leases, surveys, etc.
 - 2. Statement(s) of Identity, all parties.
 - 3. Other:

**SCHEDULE B
SECTION II
GENERAL EXCEPTIONS**

PART ONE:

- A. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
- B. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
- C. Easements, claims of easement or encumbrances which are not shown by the public records.
- D. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- E. (A) Unpatented mining claims; (B) Reservations or exceptions in patents or in Acts authorizing the issuance thereof; (C) Water rights, claims or title to water; whether or not the matters excepted under (A), (B) or (C) are shown by the public records; (D) Indian Tribal Codes or Regulations, Indian Treaty or Aboriginal Rights, including easements or equitable servitudes.
- F. Any lien, or right to a lien, for services, labor or materials or medical assistance heretofore or hereafter furnished, imposed by law and not shown by the public records.
- G. Any service, installation, connection, maintenance, construction, tap or reimbursement charges/costs for sewer, water, garbage or electricity.
- H. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof, but prior to the date the proposed insured acquires of record for value the escrow or interest or mortgage(s) thereon covered by this Commitment.

**SCHEDULE B
SECTION II**

EXCEPTIONS

PART TWO:

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction. The printed exceptions and exclusions from the coverage of the policy or policies are available from the office which issued this Commitment. Copies of the policy forms should be read.

1. Lien of the Real Estate Excise Sales Tax and Surcharge upon any sale of said premises, if unpaid. As of the date herein, the excise tax rate for the **City of Monroe** is at **1.78 %**.
Levy/Area Code: 0530

2. Liability, if any, for pro-rata portion of **Real Property** taxes which are carried on the Snohomish County Tax Rolls, as tax account no. 28063500201800, 28063500100400 and 28063500201600, are exempt.

The taxes for the current year reflect an exemption for Government Property. Any curtailment of the exemption may result in an additional amount being due for the current year and for any re-assessment of land and improvement values.

3. Taxes which may be assessed and extended on any subsequent roll for the tax year 2011, with respect to new improvements and the first occupancy which may be included on the regular assessment roll and which are an accruing lien not yet due or payable.
4. Potential lien rights as a result of labor and/or materials used, or to be used, for improvements to the premises. The Company reserves the right to make additional requirements prior to insuring. An indemnity agreement to be completed by To Be Determined, is being sent to The Closing Escrow Company and must be submitted to us **prior to closing** for our review and approval. All other matters regarding extended coverage have been cleared for mortgagee's policy. Items A through E and G and H on Exhibit B herein will be omitted in said extended coverage mortgagee's policy. The coverage contemplated by this paragraph will not be afforded in any forthcoming owner's standard coverage policy to be issued.

5. Lack of a right of access to and from the land.
Affects: Parcel B

6. Easement, including terms and provisions contained therein:
Recording Information: 2331834
In Favor of: A. Farrel Price and Maria E. Price, his wife
For: ingress, egress and utilities
Affects: Parcel C

7. Easement, including terms and provisions contained therein:
Recording Information: 8501230172
In Favor of: A. Farrel Price and Maria E. Price, husband and wife
For: ingress, egress and utilities
Affects: Parcel A

Said easement was corrected by Auditor's File No. 8602250226.

8. Terms, covenants, conditions and restrictions as contained in recorded Lot Line Adjustment (Boundary Line Revisions):
 - Recorded: November 25, 1996
 - Recording Information: 9611255002
 - Affects: Parcel A and C

9. Easement, including terms and conditions contained therein:
 - Granted to: City of Monroe, Washington
 - For: operating, maintaining, repairing and improving the sanitary sewer facilities
 - Recorded: December 20, 1996
 - Recording Information: 9612200374
 - Affects: Parcel A and C

10. Easement, including terms and conditions contained therein:
 - Granted to: City of Monroe, Washington
 - For: operating, maintaining, repairing and improving the sanitary sewer facilities
 - Recorded: December 20, 1996
 - Recording Information: 9612200375
 - Affects: Parcel A and C

11. Easement, including terms and provisions contained therein:
 - Recording Information: 9707230474
 - For: Conservation Easement for open space

INFORMATIONAL NOTES

- A. Potential charges, for the King County Sewage Treatment Capacity Charge, as authorized under RCW 35.58 and King County Code 28.84.050. Said charges could apply for any property that connected to the King County Sewer Service area on or after February 1, 1990. Note: Properties located in Snohomish County may be subject to the King County Sewage Treatment Capacity Charges.
- B. Effective January 1, 1997, and pursuant to amendment of Washington State Statutes relating to standardization of recorded documents, the following format and content requirements must be met. Failure to comply may result in rejection of the document by the recorder.
- C. Any sketch attached hereto is done so as a courtesy only and is not part of any title commitment or policy. It is furnished solely for the purpose of assisting in locating the premises and First American expressly disclaims any liability which may result from reliance made upon it.
- D. The description can be abbreviated as suggested below if necessary to meet standardization requirements. The full text of the description must appear in the document(s) to be insured.

LOTS 3-4, BOUNDARY LINE ADJUSTMENT/SURVEY, REC. 9611255002 AND PTN SEC 35 TWP
28N RGE 6E SW QTR NE QTR, SNOHOMISH COUNTY

APN: 28063500201800
APN: 28063500100400
APN: 28063500201600
- E. The following deeds affecting the property herein described have been recorded within 24 months of the effective date of this commitment: NONE

Property Address: **To Be Determined, WA 98272**

NOTE: The forthcoming Mortgagee's Policy will be the ALTA 2006 Policy unless otherwise noted on Schedule A herein.

NOTE: We find no judgments or Federal tax liens against the vestee herein, unless otherwise shown as a numbered exception above.

NOTE: A FEE WILL BE CHARGED UPON THE CANCELLATION OF THIS COMMITMENT PURSUANT TO WASHINGTON STATE INSURANCE CODE AND THE FILED RATE SCHEDULE OF THIS COMPANY.

CONDITIONS

1. DEFINITIONS

(a) "Mortgage" means mortgage, deed of trust or other security instrument.

(b) "Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

2. LATER DEFECTS

The Exceptions in Schedule B - Section II may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B - Section I are met. We shall have no liability to you because of this amendment.

3. EXISTING DEFECTS

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

4. LIMITATION OF OUR LIABILITY

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

comply with the Requirements shown in Schedule B - Section I

or

eliminate with our written consent any Exceptions shown in Schedule B - Section II.

We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. CLAIMS MUST BE BASED ON THIS COMMITMENT

Any claim, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this commitment and is subject to its terms.

cc:

cc: City of Monroe



First American

First American Title Insurance Company
2825 Colby Ave, Ste 300
Everett, WA 98201
Phn - (425)258-4104 (800)532-2110
Fax - (425)551-4107



First American Title

Privacy Information

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet.

In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

©2010 First American Financial Corporation. All rights reserved. NYSE: FAF

FIRST AMERICAN TITLE INSURANCE COMPANY
Exhibit "A"

Vested Owner: The City of Monroe, a Municipal Corporation

Real property in the County of Snohomish, State of Washington, described as follows:

PARCEL A:

THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER AND THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER LYING NORTHERLY OF THE PRIMARY STATE HIGHWAY 15 RIGHT-OF-WAY, ALL IN SECTION 35, TOWNSHIP 28 NORTH, RANGE 6 EAST, W.M.;

EXCEPT THAT PORTION LYING WESTERLY OF THE FOLLOWING DESCRIBED LINE;

BEGINNING AT THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, SECTION 35, TOWNSHIP 28 NORTH, RANGE 6 EAST, W.M.;
THENCE SOUTH 00°46'02" WEST ALONG THE WEST LINE THEREOF, 134.76 FEET TO A POINT ON THE SOUTHEAST LINE OF PARCEL OF LAND DESCRIBED IN INSTRUMENT RECORDED UNDER RECORDING NO. 9604100165, RECORDS OF SNOHOMISH COUNTY, WASHINGTON, SAID POINT BEING A POINT ON A CURVE, THE CENTER OF WHICH BEARS NORTH 41°02'35" WEST 180 FEET;
THENCE NORTHEASTERLY ALONG SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 18°25'24", AN ARC DISTANCE OF 57.88 FEET TO THE TRUE POINT OF BEGINNING OF SAID LINE;
THENCE SOUTH 51°22'05" EAST 65.66 FEET;
THENCE SOUTH 80°49'18" EAST 143.25 FEET;
THENCE SOUTH 11°01'15" WEST 312.14 FEET;
THENCE SOUTH 31°16'50" WEST 244.23 FEET TO THE NORTHEAST EDGE OF STATE ROUTE 2 AND THE TERMINUS OF SAID LINE.

(BEING ALSO KNOWN AS LOT 4 OF BOUNDARY LINE ADJUSTMENT/SURVEY RECORDED NOVEMBER 25, 1996 UNDER AUDITOR'S FILE NO. 9611255002.)

PARCEL 1A

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS AS DISCLOSED IN DOCUMENT RECORDED UNDER RECORDING NO. 8602250226.

PARCEL B:

ALL THAT PORTION OF NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER AND THE NORTH HALF OF THE NORTH HALF OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 35, TOWNSHIP 28 NORTH, RANGE 6 EAST, W.M. LYING NORTHERLY AND WESTERLY OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE SOUTHWEST CORNER OF THE NORTH HALF OF THE NORTH HALF OF SAID SOUTH HALF;
THENCE SOUTH 88°24'03" EAST ALONG THE SOUTH LINE THEREOF, 45.73 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 00°59'09" WEST, 170.37 FEET;
THENCE SOUTH 89°01'05" EAST, 136.96 FEET;
THENCE NORTH 85°25'57" EAST, 427.36 FEET;
THENCE SOUTH 89°30'57" EAST, 107.28 FEET;
THENCE NORTH 83°26'56" EAST, 622.86 FEET TO THE EAST LINE OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF SAID NORTHEAST QUARTER AND THE TERMINUS OF SAID LINE.

PARCEL C:

THE NORTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, AND THAT PORTION OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER LYING NORTH OF THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILWAY RIGHT-OF-WAY IN SECTION 35, TOWNSHIP 28 NORTH, RANGE 6 EAST, W.M.;

EXCEPT THAT PORTION LYING WESTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, SECTION 35, TOWNSHIP 28 NORTH, RANGE 6 EAST, W.M.;
THENCE SOUTH 00°46'02" WEST ALONG THE WEST LINE THEREOF, 134.76 FEET TO A POINT ON THE SOUTHEAST LINE OF PARCEL OF LAND DESCRIBED IN INSTRUMENT RECORDED UNDER RECORDING NO. 9604100165, RECORDS OF SNOHOMISH COUNTY, WASHINGTON, SAID POINT BEING A POINT ON A CURVE, THE CENTER OF WHICH BEARS NORTH 41°02'35" WEST 180 FEET;
THENCE NORTHEASTERLY ALONG SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 18°25'24", AN ARC DISTANCE OF 57.88 FEET TO THE TRUE POINT OF BEGINNING OF SAID LINE;
THENCE SOUTH 51°22'05" EAST 65.66 FEET;
THENCE SOUTH 80°49'18" EAST 143.25 FEET;
THENCE SOUTH 11°01'15" WEST 312.14 FEET;
THENCE SOUTH 31°16'50" WEST 244.23 FEET TO THE NORTHEAST EDGE OF STATE ROUTE 2 AND THE TERMINUS OF SAID LINE.

ALSO EXCEPT PORTION CONVEYED TO THE CITY OF MONROE BY AUDITOR'S FILE NO. 9606250465,

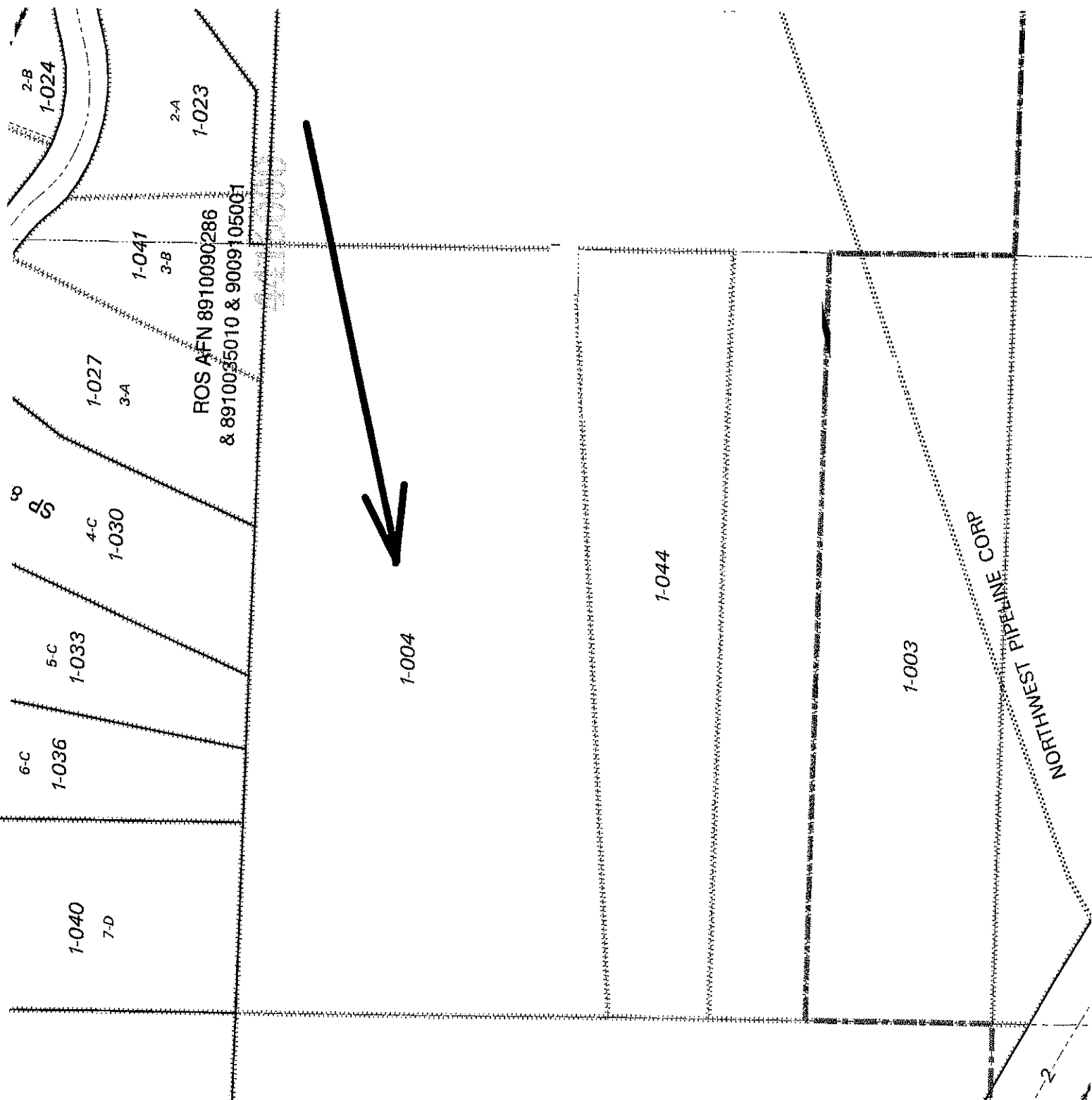
AND EXCEPT TWO TRACTS CONVEYED TO THE STATE OF WASHINGTON FOR HIGHWAY PURPOSES BY DEED RECORDED MARCH 20, 1947 AND FEBRUARY 24, 1948, UNDER AUDITOR'S FILE NOS. 845715 AND 871291.

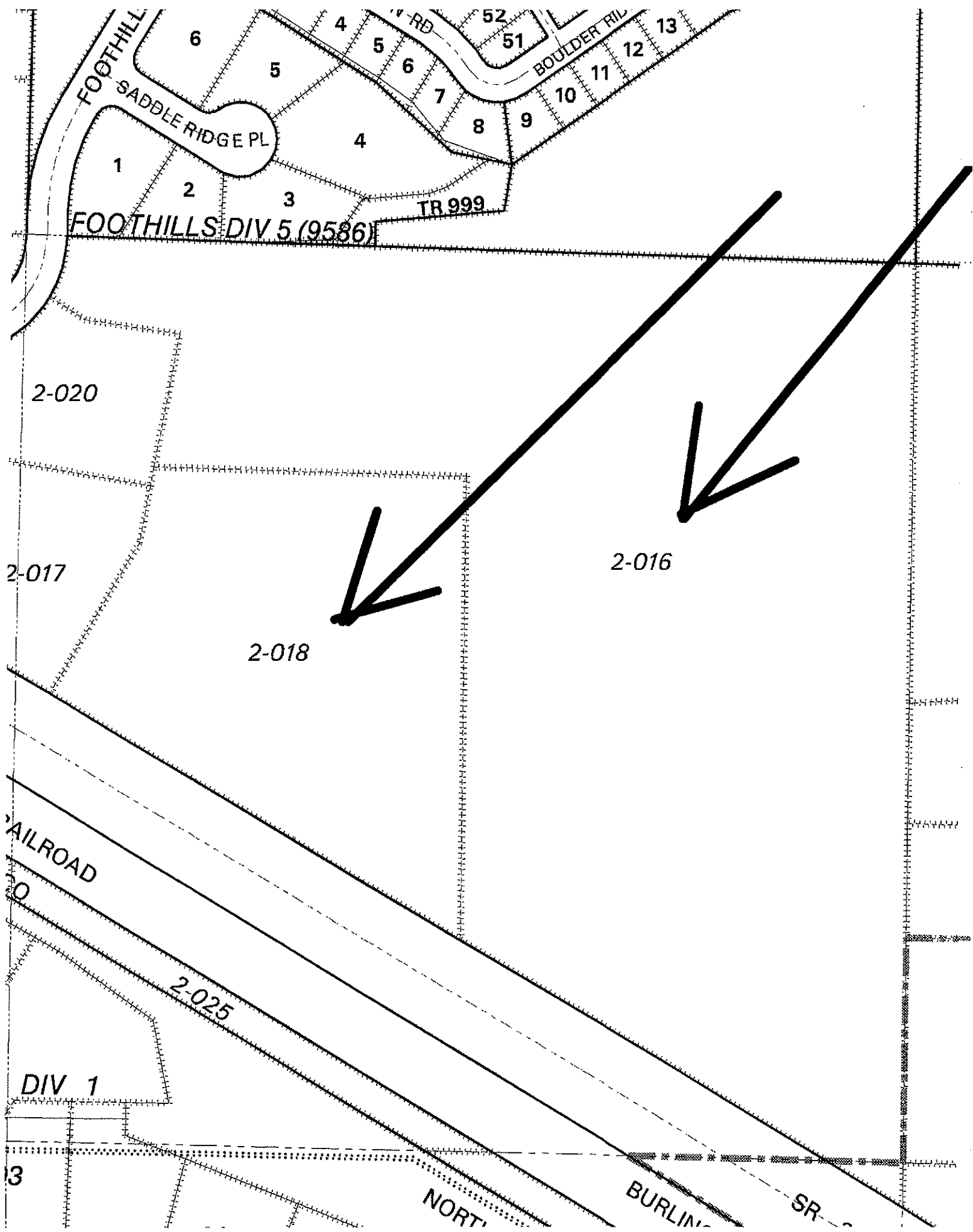
(ALSO KNOWN AS LOT 3 OF BOUNDARY LINE ADJUSTMENT/SURVEY RECORDED NOVEMBER 25, 1996, UNDER AUDITOR'S FILE NO. 9611255002.)

SITUATE IN THE CITY OF MONROE, COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

Tax Parcel Number: 28063500201800, 28063500100400 and 28063500201600

Situs Address: To Be Determined, WA 98272







First American

County of Snohomish
First American Title Insurance Company
2825 Colby Ave, Ste 300
Everett, WA 98201
Phn - (425)258-4104 (800)532-2110
Fax - (425)551-4107

Kristi Mathis
(425) 322-2008
kkmathis@firstam.com

Title Team (Snohomish)
Fax No. (866) 859-0429
Michelle Treherne
(425) 551-4164
mtreherne@firstam.com

Terri Nugent
(425) 551-4155
tnugent@firstam.com

To: **CE3 Realt Estate LLC**
148 Maple Avenue Suite A
Snohomish, WA 98290

File No.: **4229-1728620**
Your Ref No.:

Attn: Daniel Reina

Re: Property Address: **To Be Determined, WA 98272**

Second Report

COMMITMENT FOR TITLE INSURANCE

Issued by

FIRST AMERICAN TITLE INSURANCE COMPANY

Agreement to Issue Policy

We agree to issue a policy to you according to the terms of this Commitment.

When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.

The Requirements in Schedule B-I.

The General Exceptions and Exceptions in Schedule B-II.

The Conditions.

This Commitment is not valid without Schedule A and Section I and II of Schedule B.

SCHEDULE A

1. Commitment Date: July 18, 2011 at 7:30 A.M.
2.

Policy or Policies to be issued:	AMOUNT	PREMIUM	TAX
General Schedule Rate			
Standard Owner's Coverage	\$ To Follow	\$ To Follow	\$ To Follow
Proposed Insured:			
To Be Determined			
Simultaneous Issue Rate			
Extended Mortgagee's Coverage	\$ To Follow	\$ To Follow	\$ To Follow
Proposed Insured:			
To Be Determined			
3. (A) The estate or interest in the land described in this Commitment is:

Fee Simple

(B) Title to said estate or interest at the date hereof is vested in:

County of Snohomish, State of Washington
4. The land referred to in this Commitment is described as follows:
Real property in the Unincorporated County of Snohomish, State of Washington, described as follows:

The land referred to in this report is described in Exhibit A attached hereto.

**SCHEDULE B
SECTION I**

REQUIREMENTS

The following requirements must be met:

- (A) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (B) Pay us the premiums, fees and charges for the policy.
- (C) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded:
- (D) You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
- (E) Releases(s) or Reconveyance(s) of Item(s):
- (F) Other:
- (G) You must give us the following information:
 - 1. Any off record leases, surveys, etc.
 - 2. Statement(s) of Identity, all parties.
 - 3. Other:

**SCHEDULE B
SECTION II**

GENERAL EXCEPTIONS

PART ONE:

- A. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
- B. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
- C. Easements, claims of easement or encumbrances which are not shown by the public records.
- D. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- E. (A) Unpatented mining claims; (B) Reservations or exceptions in patents or in Acts authorizing the issuance thereof; (C) Water rights, claims or title to water; whether or not the matters excepted under (A), (B) or (C) are shown by the public records; (D) Indian Tribal Codes or Regulations, Indian Treaty or Aboriginal Rights, including easements or equitable servitudes.
- F. Any lien, or right to a lien, for services, labor or materials or medical assistance heretofore or hereafter furnished, imposed by law and not shown by the public records.
- G. Any service, installation, connection, maintenance, construction, tap or reimbursement charges/costs for sewer, water, garbage or electricity.
- H. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof, but prior to the date the proposed insured acquires of record for value the escrow or interest or mortgage(s) thereon covered by this Commitment.

**SCHEDULE B
SECTION II**

EXCEPTIONS

PART TWO:

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction. The printed exceptions and exclusions from the coverage of the policy or policies are available from the office which issued this Commitment. Copies of the policy forms should be read.

1. Lien of the Real Estate Excise Sales Tax and Surcharge upon any sale of said premises, if unpaid. As of the date herein, the excise tax rate for **unincorporated Snohomish County** is at **1.78 %**.
Levy/Area Code: 3971

2. Liability, if any, for pro-rata portion of **Real Property** taxes which are carried on the Snohomish County Tax Rolls, as tax account no. 28063500100300, are exempt.

The taxes for the current year reflect an exemption for Government Property. Any curtailment of the exemption may result in an additional amount being due for the current year and for any re-assessment of land and improvement values.

3. Taxes which may be assessed and extended on any subsequent roll for the tax year 2011, with respect to new improvements and the first occupancy which may be included on the regular assessment roll and which are an accruing lien not yet due or payable.
4. Potential lien rights as a result of labor and/or materials used, or to be used, for improvements to the premises. The Company reserves the right to make additional requirements prior to insuring. An indemnity agreement to be completed by To Be Determined, is being sent to The Closing Escrow Company and must be submitted to us **prior to closing** for our review and approval. All other matters regarding extended coverage have been cleared for mortgagee's policy. Items A through E and G and H on Exhibit B herein will be omitted in said extended coverage mortgagee's policy. The coverage contemplated by this paragraph will not be afforded in any forthcoming owner's standard coverage policy to be issued.

5. An easement affecting the portion of said premises and for the purposes stated herein, and incidental purposes.

For:	Pipe line and ditch
In Favor Of:	Great Northern Rail Way Company
As disclosed by Deeds	August 28, 1937
Recorded:	
Recording Information:	608554 and 608555
Affects:	Portion of said premises

6. An easement affecting the portion of said premises and for the purposes stated herein, and incidental purposes.

For:	Pipeline or pipelines for the transportation of oil, gas and the products thereof
In Favor Of:	Pacific Northwest Pipeline Corporation, a Delaware corporation, it's successors and assigns
Recorded:	October 10, 1957
Recording Information:	1256191

Affects: Portion of said premises and other property

The above easement also contains a provision that Grantors agree not to build, create or construct or permit to be built, created or constructed any obstruction, building, engineering works or other structure that would interfere with said pipeline or pipelines.

A ratification of of the above document was recorded under Recording No. 1256193 and partially released by document recorded under Recording No. 2202707.

INFORMATIONAL NOTES

- A. Potential charges, for the King County Sewage Treatment Capacity Charge, as authorized under RCW 35.58 and King County Code 28.84.050. Said charges could apply for any property that connected to the King County Sewer Service area on or after February 1, 1990. Note: Properties located in Snohomish County may be subject to the King County Sewage Treatment Capacity Charges.
- B. Effective January 1, 1997, and pursuant to amendment of Washington State Statutes relating to standardization of recorded documents, the following format and content requirements must be met. Failure to comply may result in rejection of the document by the recorder.
- C. Any sketch attached hereto is done so as a courtesy only and is not part of any title commitment or policy. It is furnished solely for the purpose of assisting in locating the premises and First American expressly disclaims any liability which may result from reliance made upon it.
- D. The description can be abbreviated as suggested below if necessary to meet standardization requirements. The full text of the description must appear in the document(s) to be insured.

PTN SEC 35 TWP 28N RGE 06E S QTR SW QTR NE QTR, SNOHOMISH COUNTY

APN: 28063500100300

- E. The following deeds affecting the property herein described have been recorded within 24 months of the effective date of this commitment: NONE

Property Address: **To Be Determined, WA 98272**

NOTE: The forthcoming Mortgagee's Policy will be the ALTA 2006 Policy unless otherwise noted on Schedule A herein.

NOTE: We find no judgments or Federal tax liens against the vestee herein, unless otherwise shown as a numbered exception above.

NOTE: A FEE WILL BE CHARGED UPON THE CANCELLATION OF THIS COMMITMENT PURSUANT TO WASHINGTON STATE INSURANCE CODE AND THE FILED RATE SCHEDULE OF THIS COMPANY.

CONDITIONS

1. DEFINITIONS

(a)"Mortgage" means mortgage, deed of trust or other security instrument.

(b)"Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

2. LATER DEFECTS

The Exceptions in Schedule B - Section II may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B - Section I are met. We shall have no liability to you because of this amendment.

3. EXISTING DEFECTS

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

4. LIMITATION OF OUR LIABILITY

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

comply with the Requirements shown in Schedule B - Section I

or

eliminate with our written consent any Exceptions shown in Schedule B - Section II.

We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. CLAIMS MUST BE BASED ON THIS COMMITMENT

Any claim, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this commitment and is subject to its terms.

cc:

cc: Snoihomish County Prop Mgmt



First American

First American Title Insurance Company
2825 Colby Ave, Ste 300
Everett, WA 98201
Phn - (425)258-4104 (800)532-2110
Fax - (425)551-4107



First American Title

Privacy Information

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet.

In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

©2010 First American Financial Corporation. All rights reserved. NYSE: FAF

FIRST AMERICAN TITLE INSURANCE COMPANY
Exhibit "A"

Vested Owner: County of Snohomish, State of Washington

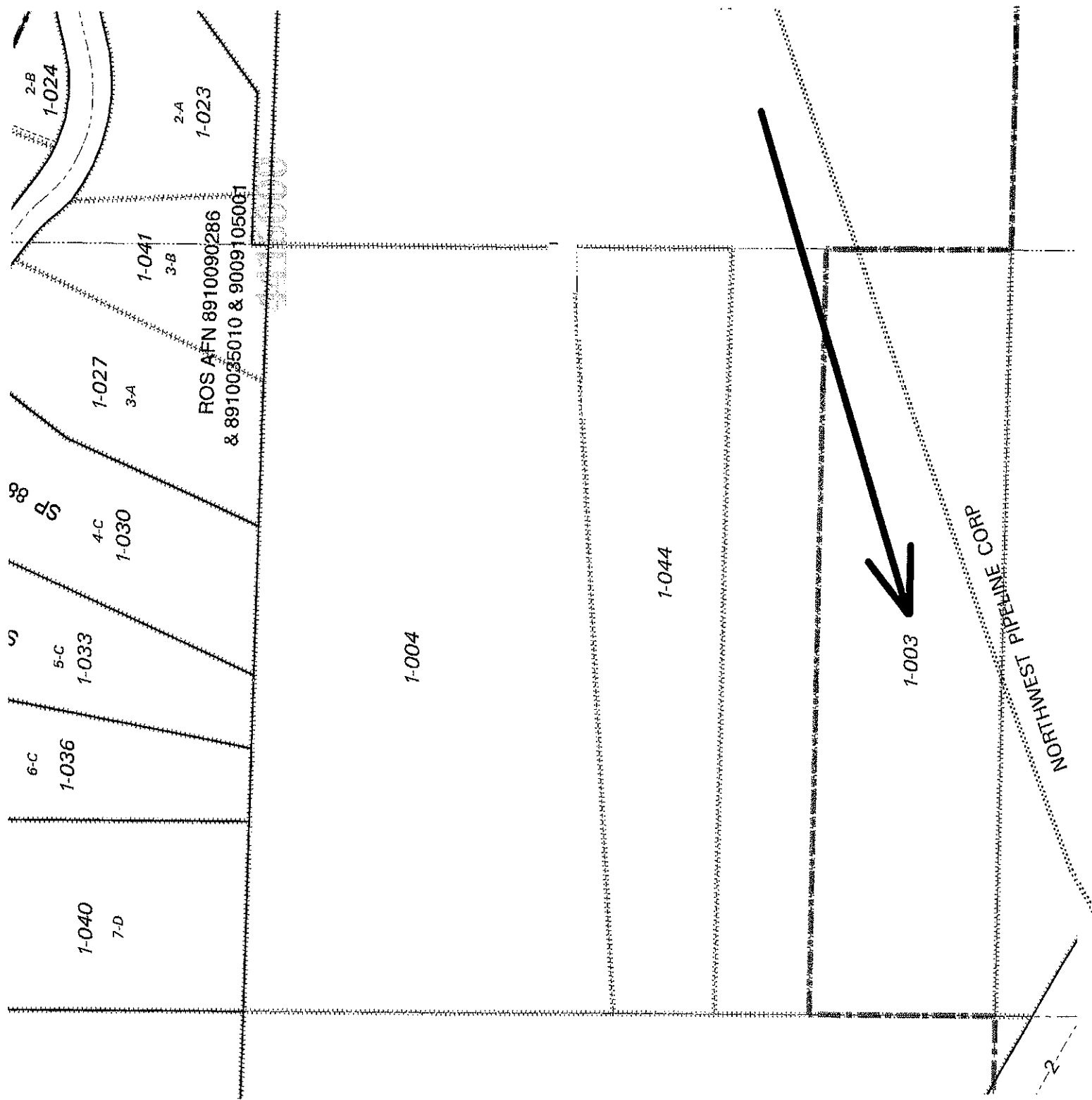
Real property in the County of Snohomish, State of Washington, described as follows:

THE SOUTH HALF OF THE SOUTHALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER
OF SECTION 35, TOWNSHIP 28 NORTH, RANGE 06 EAST W.M.

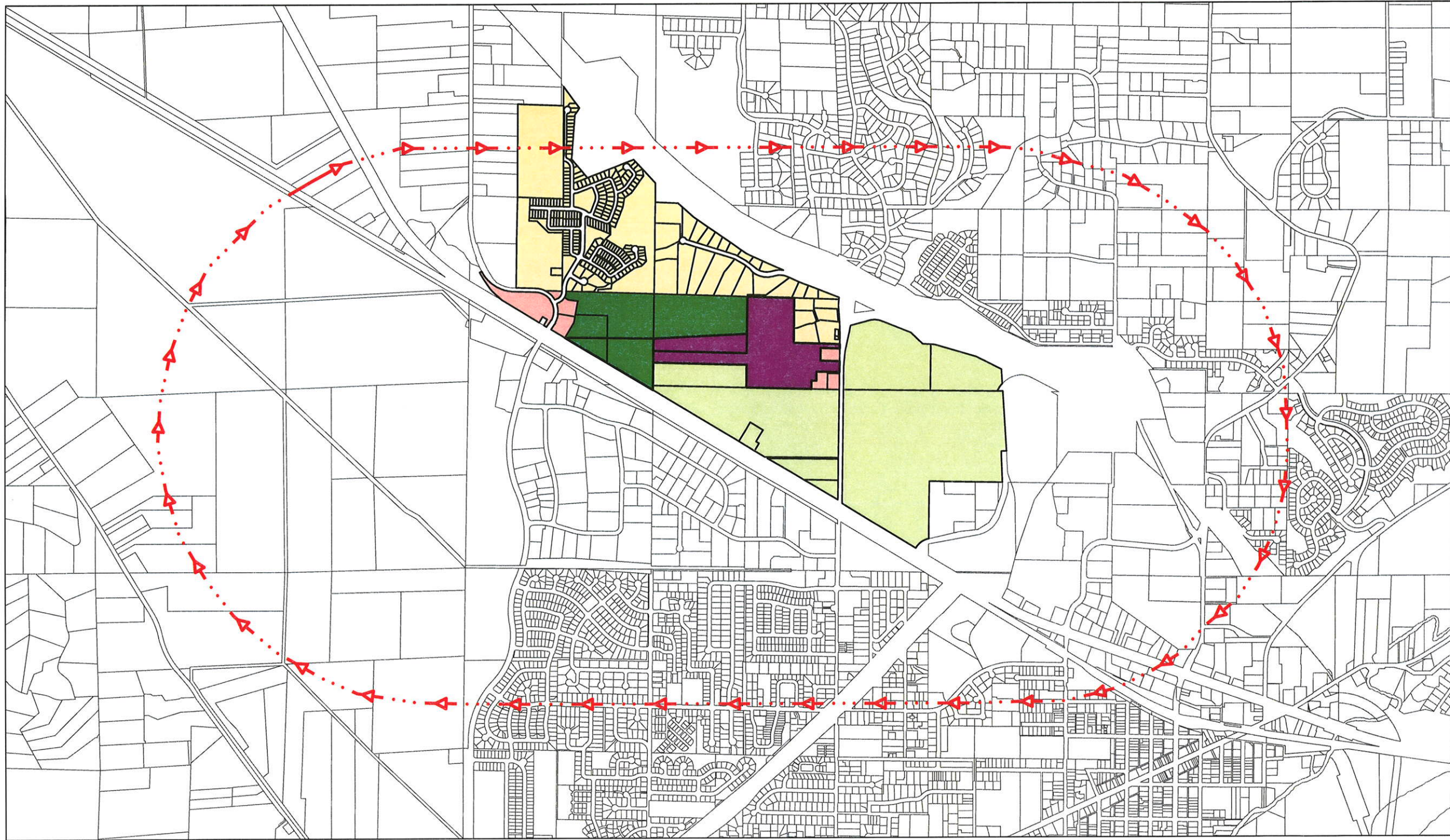
SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.

Tax Parcel Number: 28063500100300

Situs Address: To Be Determined, WA 98272



VICINITY / SITE PLAN MAPS



LEGEND

- | | |
|---|---|
|  (LOSA) - LIMITED OPEN SPACE AIRPORT |  AIRPORT OVERLAY |
|  (SC) - SERVICE COMMERCIAL |  (R2-5) - DWELLINGS PER ACRE |
|  (P/O) - PARKS/OPEN SPACE |  (SRU) - SPECIAL REGIONAL USE |

FIRST AIR FIELD COMPREHENSIVE PLAN AMMENDUM

EXISTING COMPREHENSIVE PLAN

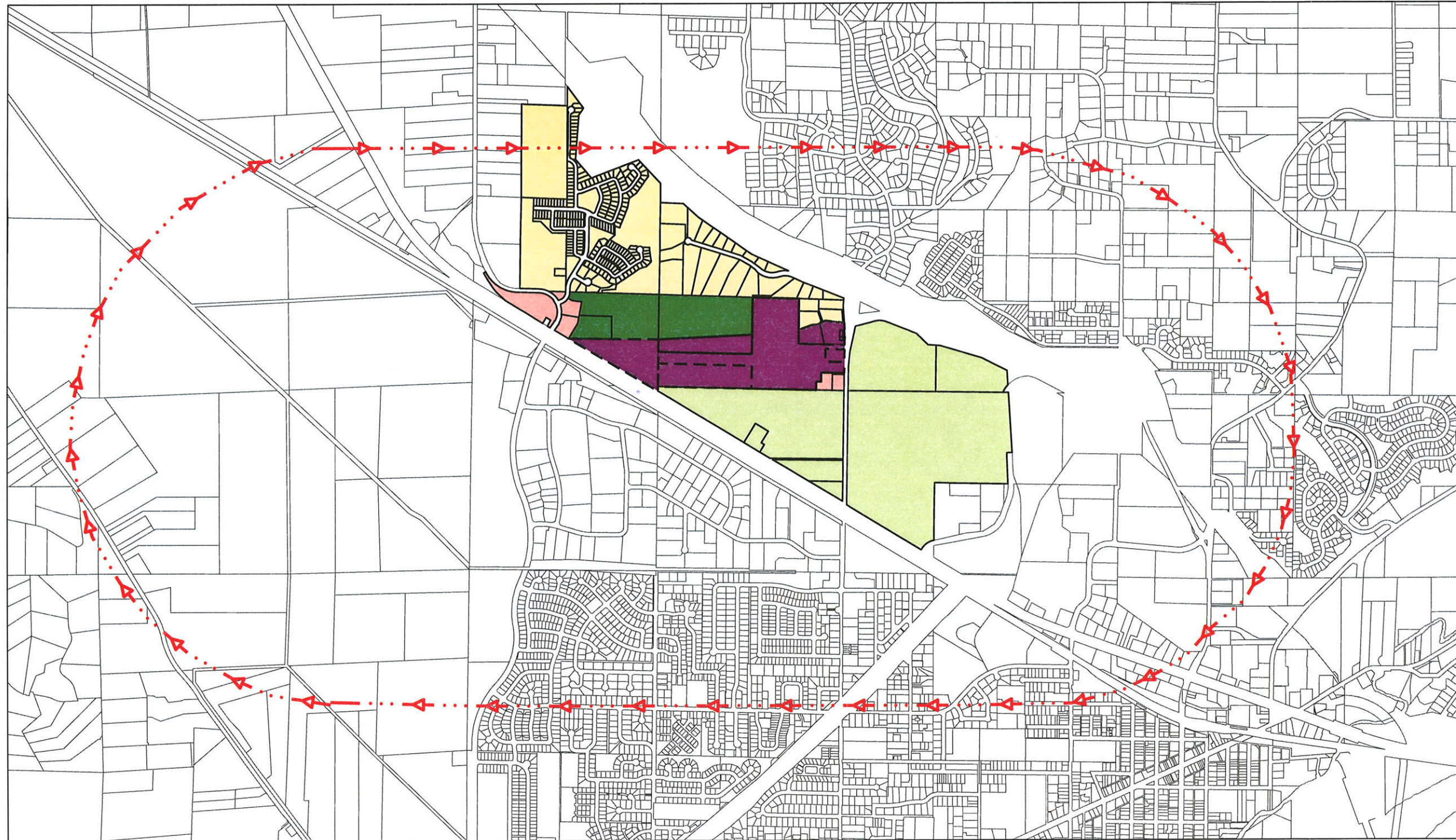
HARMSEN & ASSOCIATES INC
ENGINEERS • SURVEYORS • PLANNERS • LANDSCAPE ARCHITECTS



16778 146th St SE, Ste 104 (360)794-7811
POST OFFICE BOX 516 (206)343-5903
MONROE, WA 98272-0516 (360)805-9732(FAX)

JOB#: 11-102
F.B.#: N/A
CHK BY: RML/TR
DATE: 7/25/11
SCALE: 1"=1500'
SHEET #
1 OF 2

© HARMSEN & ASSOCIATES INC 2010



LEGEND

- | | | | |
|---|-------------------------------------|--|------------------------------|
|  | (LOSA) - LIMITED OPEN SPACE AIRPORT |  | AIRPORT OVERLAY |
|  | (SC) - SERVICE COMMERCIAL |  | (R2-5) - DWELLINGS PER ACRE |
|  | (P/O) - PARKS/OPEN SPACE |  | (SRU) - SPECIAL REGIONAL USE |

FIRST AIR FIELD COMPREHENSIVE PLAN AMMENDUM PROPOSED COMPREHENSIVE PLAN

HARMSEN & ASSOCIATES INC
ENGINEERS • SURVEYORS • PLANNERS • LANDSCAPE ARCHITECTS



16778 146th St SE, Ste 104 (360)794-7811
POST OFFICE BOX 516 (206)343-5903
MONROE, WA 98272-0516 (360)805-9732(FAX)

JOB#: 11-102
F.B.#: N/A
CHK BY: RML/TR
DATE: 7/25/11
SCALE: 1"=1500'
SHEET #
1 OF 2

©HARMSEN & ASSOCIATES INC 2010

